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ROK AMBASSADOR SAYS RELATIONS 'AWKWARD OR JERKY'

OW141133 Tokyo KYODO in English 0927 GMT 14 Aug 86

[Text] Tokyo, Aug 14 KYODO -- The recent dispute over a Japanese history textbook is one example of the "awkward or jerky" atmosphere which continues to characterize relations between Japan and his country, South Korean Ambassador to Japan Yi Kyu-ho said here Thursday. Speaking on overall bilateral relations on the eve of South Korea's Liberation Day, to mark independence from Japanese colonial rule, Yi took a positive stance in an interview with KYODO news service. "Although there have been a large number of difficult problems during the normalization process over the past 20 years, the atmosphere (between Japan and South Korea) on the outside has never been better," he commented. To prevent the development of future diplomatic problems over the interpretation of history, Yi called for the establishment of a Joint Research Center on History Education to promote mutual understanding and exchange between textbook authors of South Korea and Japan.

When the Japanese Government in June approved publication of a "conservative" senior high school history textbook prepared by a revivalist group called the National Council for Defense of Japan, China and South Korea complained that Japan was attempting to gloss over its military exploits on the Asian continent in the prewar and World War II period.

When Prime Minister Yasuhiro Nakasone became the first postwar government head to visit the Yasukuni shrine, where Japan's war dead including World War II war criminals are enshrined, in his official capacity on August 15, 1985, South Korea and other Asian nations strongly condemned the act. Yi, however, refused to comment on South Korea's position concerning reports that a large number of cabinet ministers will pay their respects at the shrine Friday, 41st anniversary of the end of the Pacific War. Regarding a possible visit to Seoul by Japan's Crown Prince Akihito and Princess Michiko this fall, Yi said, "there will be some kind of official announcements by both countries in the near future." Although protest against such a visit has been growing in South Korea, Yi said, "I would like to see it materialize for the sake of improving mutual understanding and friendship between Japan and South Korea," adding, "a visit by the crown prince and princess would be a definite plus."

In South Korea and other Asian nations, there has been growing concern that conservatism is spreading in Japan, along with the idea that Japan should establish itself as a major power. Yi discounted such rumblings as alarmist, explaining, "history cannot be repeated."

On the issue of fingerprinting foreign residents in Japan, currently under study for possible reform by the justice ministry, Yi said that it was an internal problem of the Japanese government. He did however, call for special consideration in the case of Korean residents brought to Japan before and during the war and their offspring.

The diplomat also came out in solid support for the Nakasone government and the landslide victory of the ruling Liberal-Democratic Party (LDP) at the polls July 6. "I have confidence in the Nakasone administration and I believe that relations between our two countries will be further developed from here on," he said, adding that he did not think that the balance of power between the ruling and opposition parties has been destroyed as a result of the overwhelming LDP victory.

The 60-year-old South Korean envoy, who holds a doctorate in philosophy from West Germany's Tubingen University, served as education minister in the 1980-83 period. Commenting on his post as ambassador to Japan, which he took up September 1985, Yi said he is pleased with the timing. The present period in Japan-South Korea ties, he says, will symbolize major improvements in cultural and communications exchange.

NAKASONE COMPLETES, PASSES MEDICAL EXAMINATION

0W150229 Tokyo KYODO in English 0157 GMT 15 Aug 86

[Text] Tokyo, Aug 15 KYODO -- Prime Minister Yasuhiro Nakasone left the hospital Friday after an extensive two-day medical checkup. The prime minister said, "no problem -- the same as last year," in reply to reporters' questions on the results of the checkup. Nakasone's wife Ysutako, who underwent a similar checkup at the same time, also left the hospital Friday.

NAKASONE CANCELS VISIT TO YASUKUNI SHRINE

0W141227 Tokyo KYODO in English 1214 GMT 14 Aug 86

[Text] Tokyo, Aug 14 KYODO -- The government said Thursday on the eve of the 41st anniversary of the end of World War II that Prime Minister Yasuhiro Nakasone will not visit Tokyo's Yasukuni shrine Friday. His official visit to the shrine, dedicated to Japan's war dead, last year, the first by a postwar Japanese prime minister, angered the Chinese and people in other Asian countries because class-A war criminals, including wartime Prime Minister Gen. Hideki Tojo, are also enshrined there.

In a statement, Chief Cabinet Secretary Masaharu Gotoda said the government has to pay "due consideration" to how the people of Japan's neighboring countries look at the prime minister's Yasukuni visit. But he added the government will not deny or rule out the possibility of an official visit to the Shinto shrine by a prime minister in the future. Former Prime Minister Takeo Miki in 1975 set a precedent of annual visits to the shrine August 15. But he and his successors until Nakasone made the visits in their private capacity. The late Prime Minister Masayoshi Ohira, a Christian, skipped a Yasukuni visit in 1979 for the only nonobservance of the annual visit.

Some religious groups said the prime minister's Yasukuni visit violates the constitution which stipulates separation of politics and religion. Nakasone earlier suggested he will not go to the shrine this year for diplomatic considerations. But 16 of his 20 cabinet members say they plan to visit the shrine Friday. Two of them -- Health and Welfare Minister Juro Saito and International Trade and Industry Minister Hajime Tamura -- say they will go there in their official capacity. Gotoda, Deputy Premier Shin Kanemaru, Foreign Minister Tadashi Kuranari and Kazuo Tamaki, chief of the Management, and Coordination Agency, say they will not go to the shrine Friday. In the statement, Gotoda said he hopes that cabinet members will make their own decisions after "fully considering" the government position.

About 2.5 million Japanese war dead are enshrined at Yasukuni shrine, which was closely linked to the imperial household agency before the war.

Cabinet Ministers Visit Shrine

OW150339 Tokyo KYODO in English 0301 GMT 15 Aug 86

[Text] Tokyo, Aug. 15 KYODO -- Seven cabinet ministers visited Yasukuni shrine Friday, the 41st anniversary of Japan's defeat in World War II, but Prime Minister Yasuhiro Nakasone stayed away out of respect for the feelings of neighboring countries. Another nine of the 20 cabinet ministers are expected to visit the shrine during the day. Home Affairs Minister Nobuyuki Hanashi was the first of the seven members of Nakasone's cabinet to visit Yasukuni Friday morning to pay respects to the souls of the war dead. "I have been to Yasukuni every year, and although I am home affairs minister, I came here (Friday) as a private citizen," Hanashi said.

Nakasone, who provoked controversy in Asian countries last year for visiting the shrine in his official capacity, stayed home. Neighboring countries, particularly China and South Korea, criticized Nakasone and members of his cabinet for making official visits to the shrine last year. Souls of Japanese war dead, including wartime Prime Minister Hideki Tojo and other class A war criminals, are enshrined at Yasukuni.

Many Japanese people also are against visits to the shrine by cabinet ministers, saying that the postwar constitution bars state support for any particular religion. Nakasone told reporters that the government is studying "various" measures to resolve the question of class war criminals being enshrined at Yasukuni.

Foreign Minister Tadashi Kuranari said he did not go to the shrine Friday morning out of consideration for Japan's diplomatic relations with other countries. Education Minister Masayuki Fujio arrived at the shrine around 8:10 a.m., shortly after Hanashi. Asked by reporters whether he came in his official or private capacity, Fujio bluntly replied, "You shouldn't ask such a silly question." Fujio was followed later by Tamisuke Watanuki, director general of the National Land Agency, and Hajime Tamura, Minister of International Trade and Industry. Tamura said he came in his official capacity as Miti Minister. Yuko Kurihara, director general of the defense agency, also attended but refused to say whether his visit was official or private.

LDP APPROVES READMISSION OF FORMER NLC MEMBERS

OW150431 Tokyo Kyodo in English 0336 GMT 15 Aug 86

[Text] Tokyo, Aug. 15 KYODO -- The ruling Liberal-Democratic Party approved Friday the readmission to the party of six Diet members of the breakaway New Liberal Club (NLC). The decision was reached at a meeting of LDP party executives, including Secretary General Noboru Takeshita. The NLC was formed 10 years ago by Yohei Kono and other conservatives who quit the LDP during the Lockheed payoff scandal, which resulted in the arrest of former Prime Minister Kakuei Tanaka for allegedly receiving a bribe of 500 million yen from the American aircraft maker. Kono and other members of the House of Representatives, together with one member of the House of Councillors, recently decided to disband the NLC and return to the ruling party. But one NLC lower house member, Seiichi Tagawa, refused to rejoined the LDP.

KIM IL-SONG LIBERATION MESSAGE TO GORBACHEV

SK150201 Pyongyang Domestic Service in Korean 1200 GMT 14 Aug 86

[Text] The great leader Comrade Kim Il-song, general secretary of the WPK Central Committee and DPRK president, sent a message of congratulations to the Soviet party and state leaders on the 41st anniversary of the fatherland liberation. The message of congratulations is as follows.

Moscow, Comrade Mikhail Sergeyevich Gorbachev, general secretary of the CPSU Central Committee; Comrade Andrey Andreyevich Gromyko, president of the Presidium of the Supreme Soviet of the USSR:

On the 41st anniversary of the liberation of our fatherland, I, on behalf of the WPK Central Committee, the DPRK Government, the Korean people, and on my own behalf, extend warm, fraternal greetings to you, and through you to the CPSU Central Committee, the Soviet Government, and the Soviet people.

The August 15 liberation our people won by defeating Japanese imperialism jointly with the Soviet Army was a signal event that opened a new epoch of a fundamental turn in the history of our fatherland and set a new milestone in the development of Korean-Soviet friendship.

After the liberation, our people, under the leadership of our party, repulsed the armed invasion of the imperialists and have achieved splendid successes in the socialist revolution and construction, overcoming manifold difficulties, and have turned our country, once backward, into a socialist independent state, developing and prospering.

Today our people are resolutely struggling for the complete victory of socialism in the northern half of Korea and for the independent and peaceful reunification of the country, and are firmly defending the eastern post of socialism.

As clearly demonstrated again during the celebrations of the 25th anniversary of the signing of the Korean-Soviet Treaty of Friendship, Cooperation, and Mutual Assistance some time ago, the relations of fraternal friendship and cooperation between the peoples of our two countries have been constantly developed and consolidated in the common struggle against imperialism and for the victory of the cause of socialism and communism.

The Soviet people have actively supported and encouraged our people in the struggle to defend the freedom and independence of the fatherland and build a new society. And now they are continuing to support and help us in the struggle for socialist construction and the independent and peaceful reunification of the fatherland.

Our people warmly support the Soviet people's struggle to accomplish the cause of Lenin and the peace initiatives of the Soviet party and government against war and for the preservation of peace and security in Europe, Asia, and other parts of the world.

We are convinced that the relations of traditional friendship and cooperation between our two parties, two countries and two peoples that have been established on the basis of Marxism-Leninism and proletarian internationalism and gone through all the tests of history will grow in scope and develop to a new, higher stage day-by-day as relations of true class alliance between revolutionary comrades-in-arms.

Availing myself of this opportunity, I sincerely wish you and the Soviet people greater success in the struggle to implement the strategic line for the promotion of socio-economic development of the country laid down at the 27th congress of the Communist Party of the Soviet Union and for defending world peace.

[Signed] Kim Il-song, general secretary of the WPK Central Committee and DPRK president, [dated] 14 August 1986, Pyongyang

JOINT STATEMENT RENEWS CALL FOR MILITARY TALKS

SK150854 Pyongyang KCNA in English 0831 GMT 15 Aug 86

["Joint Statement of 22 Political Parties and Social Organizations" -- KCNA headline]

[Text] Pyongyang August 15 [KCNA] -- 22 political parties and social organizations including the Workers' Party of Korea and the Korean Social Democrat Party and the Central Committee of the Democratic Front for the Reunification of the Fatherland made public a joint statement Thursday on the lapse of 41 years since the Korean people were liberated from the yoke of the colonial rule of Japanese imperialism.

It says the colonial fascist rule by the U.S. imperialists is not only the root cause of all the misfortunes and sufferings imposed upon the South Korean people but also a main obstacle to the Korean reunification.

Pointing out that the U.S. imperialists and the South Korean puppet clique are further increasing armament and continuing to stage military exercises in South Korea under the pretext of "threat of southward invasion", stubbornly opposing the DPRK's just reunification proposals and peace initiatives, it says:

No matter what may happen in South Korea, we will never invade the south or force the social system of the North on South Korea. We have already advanced a reasonable reunification proposal to realize a confederation on the basis of national unity, leaving the two systems in the North and South as they are.

Considering that this proposal still remains a most correct way for the solution of the question of our country's reunification, we once again hold that the proposal must be realized at an early date. The reunification of the country should be achieved on the three principles of national reunification -- independence, peaceful reunification, and great national unity -- already agreed to by the North and the South and recognized by the whole world.

There is no reason or pretext for the United States to keep its troops in south Korea till today more than 40 years after the country's liberation and 30-odd years after the signing of the armistice agreement. The United States must no longer pursue the colonial policy in South Korea but withdraw its troops and military equipment including nuclear weapons from South Korea at an early date in conformity with the trend of the times that all nations and states aspire after chajusong and independence.

The South Korean rulers must discard their anti-national stand to prolong the division of the country indefinitely, depending on outside forces and put an end to the anti-democratic fascist rule of violence provoking us and suppressing the South Korean people and students.

Peace in the country and its peaceful reunification must be achieved through dialogue and negotiation. As tripartite talks have not yet been realized and North-South parliamentary talks not opened and the Military Armistice Commission cannot properly perform its function, our proposal to hold talks between the military authorities is a most reasonable and realistic way to prevent war, relax the tension and create favorable circumstances for dialogue.

The United States and the South Korean authorities must unconditionally agree with our proposal for talks between the military authorities to settle the pressing question of detente, seeking no selfish purpose.

All Koreans who are concerned about the destiny of the country and the nation must firmly unite irrespective of the idea, ideology, party affiliations and groupings, whether they may be in the North, the South, or abroad, and do all they can to realize the proposal for talks between the military authorities at the earliest possible date.

If a war is to be prevented and a durable peace guaranteed for good in Korea, the Korean peninsula must be turned into a nuclear-free, peace zone as was clarified in the recent statement of the government of the DPRK.

Korea must be a Korea of Koreans free from foreign forces and a peaceful country free from war and nuclear weapons.

We express the belief that the progressive political parties, organizations and people of all countries of the world who desire peace in Korea and her peaceful reunification will continue to voice firm solidarity with the Korean people's just cause of preventing war on the Korean peninsula and achieving peace in the country and its peaceful reunification.

TU CHIEF MEETS WITH USSR AUCCTU'S SHALAYEV

For reportage on the meeting between AUCCTU Chairman S.A. Shalayev and Kim Pong-chu, chairman of the General Federation of Trade Unions of Korea Central Committee, who is visiting Moscow, see the Northeast Asia section of the 12 August Soviet Union DAILY REPORT.

CHON SPEECH ON REUNIFICATION, DIALOGUE WITH NORTH

SK150239 Seoul YONHAP in English 0228 GMT 15 Aug 86

[Text] Seoul, Aug. 15 (YONHAP) -- South Korean President Chon Tu-hwan urged North Korea to agree to reopen all existing channels of dialogue, which it has unilaterally shut off. "What is urgently needed at this time is an affirmative and sincere response from the North to our initiatives," Chon said. He made the remarks in a speech commemorating Korea's 41st Liberation Day, which falls on Friday. Korea was liberated from the 36-year Japanese colonial rule on Aug. 15, 1945.

In the speech, read by Prime Minister No Sin-yong, Chon pointed out that the most fundamental task of the Korean people now is national unification. He said he deplores the fact that "an idolized individual with absolute power (North Korean chieftain Kim Il-song), heading a bizarre hereditary dynasty, still reigns over 20 million compatriots in the North, demanding inordinate sacrifices and abject submission."

He further said: "We have arrived at a point where we can visualize more clearly than ever before our attaining the true restoration of our sovereignty and genuine liberation, which are possible only with national unification." In pursuing unification, we must not fail to adhere to the principle that it must be accomplished "by the Korean people for the Korean people." As he repeatedly emphasized, the coming two or three years will be a crucial time period for determining Korea's destiny.

South Korea has now achieved the capability to host the 1988 Olympics, and the Korean people can take pride in the fact that they are not only the prime movers of progress toward national prosperity but also leading contributors to world peace and human advancement, he said.

Then recalling the 36 years of colonial subjugation, Chon said: "We can hardly control our anger at the barbaric policies and acts of aggression carried out by the Japanese imperialists. This is because this foreign oppression not only brought indescribable pain and humiliation to the Korean people but also constituted the root cause of our eventual national division." "We have learned, however, a precious lesson through these painful experiences, including lost independence. The lesson is that a people cannot maintain national sovereignty intact unless they have the strength to defend themselves and the ability to actively adapt themselves to the changing international currents," he continued.

"The world is acclaiming the capabilities of the Korean people all the more because Korea has emerged in a short time as a model of development for all third-world countries, despite the fact that it went through a devastating war not long ago and is still burdened by military confrontation with its divided half," he said. "It is my expectation that when the goal of an advanced Korea is in sight, the prospects for unification will also become clearer," he concluded.

COMPARISON ON CHON 11 AUG PRESS CONFERENCE

Seoul Domestic Service in Korean at 0300 GMT on 11 August carries a 77-minute recording of the apparent text of ROK President Chon Tu-hwan's 11 August press conference. The Seoul radio version has been compared with the 12 August KOREA TIMES version of Chon's press conference published in the 13 August Asia & Pacific DAILY REPORT and found to contain the following differences.

Page E-1, paragraph one, line one, radio version reads...[Reporter] I am Kwon Ki-chin, of SEOUL SINMUN. We appreciate your taking time for us, even though you must be busy taking care of the state administration. It's been five... (supplying additional passage.)

Page E-1, paragraph four, last line, the radio version reads...threatened national security.

At that time, all of our people were, in fact, seized by terror and uneasiness over the possibility of a southward invasion from the North. Also, the economic situation at that time was in a crisis on the brink of bankruptcy.

Upon being sworn in as the 11th president in September 1980, I acquainted myself with state administration as a whole. I frankly confess that I was at a loss. In that year, prices soared 43 percent and even the rate of increase in fixed investment recorded a minus 10.6 percent. As a result, economic growth declined back to 5.1 percent and the balance of international payments incurred \$5.3 billion in red ink. It can be said that the country was on the verge of bankruptcy. Worse still, the cold weather that year ruined the crops and we urgently needed to resolve the food problem that would have forced the people to suffer the next spring.

Also, in 1979 the second oil crisis caused the price of crude oil and interest rates to rise in the international markets. We underwent such difficulties as having to negotiate many loans from foreign countries to pay the additional expenses. To help you in this regard, let me cite an example. During the 6 years from that time until last year, we had to shoulder about \$20.5 billion in additional expenses to pay the higher price for crude oil and another (?11.6) billion to pay increased amounts of interest. In fact, the country ran into especially serious economic difficulties in 1980 and 1981. During my visit to Southeast Asia in the summer of 1981, I heard the state leaders of the countries in that region describe how they viewed the situation facing our country at that time. They unanimously said to me they feared the Republic of Korea might collapse. The things that occurred in our country that year must have seemed to them very serious.

In September 1983, we were angered and aggrieved by the shooting down of a KAL plane that sacrificed many of our beloved parents, brothers, husbands, wives, and children. North Korea's barbarous terrorist attempt on my life about a month later in Rangoon, Burma took the lives of a number of valuable and talented people who had been making contributions to national development, and that incident posed grave national difficulties and challenges.

Undaunted, however, our people have wonderfully overcome such difficulties and challenges by uniting together. When they are faced with difficulties and crises, our people not only have always overcome them in formidable unity, but have also turned such difficulties into fortunate opportunities and used them as stepping stones for continued advancement. During the past 5 and 1/2 years I have served as president, I have come to realize that our people are a great people who can do such things. Thanks to the...(supplying additional passage.)

Page E-1, paragraph eight, last line, the radio version reads...of the '70s.

As a result of expansive construction of pipelines for water supplies and sewage systems, the water problem can be said to have been solved. In terms of telephones, compared to the 2.4 million telephone lines that had been installed since the era of Emperor Kojong up until 1980, we have installed an astounding number of 4.7 million lines over the past 5 years.

These facts demonstrate the extent to which society's indirect investment has been expanded in the past 5 years. At the same time, the number of people benefitting from medical care has increased to more than 22 million as of July this year compared to 11 million in 1989. When such facts are taken into consideration, on the whole the people's living standards have been improved drastically, though not everyone finds the situation satisfactory. What is more, our country has always been in the red in terms of international payments. However, this year we are expected to be in the black by an estimated \$1 billion to \$1.5 billion. This is indeed astonishing and we must congratulate ourselves.

The growth and development...(supplying additional passage.)

Page E-2, paragraph two, line two, the radio version reads...from 51 countries. On the other hand, I have made official visits to 17 countries, including the United States, Japan, the ASEAN countries, some African countries, and most recently, Europe. On the other...(changing number, adding reference to Africa.)

Page E-2, paragraph six, line six, the radio reads...also for 1988. If we continue to grow by successfully accomplishing these momentous national tasks under conditions of stability through the 1990's as we are now doing, I am confident that we will, without fail, reach the front ranks of the advanced countries. We can also free ourselves from the fear of war and, going one step further, achieve national unification.

What we all must keep in mind at this juncture is that such historical tasks demand more sweat, more patience, and more firm harmony from us. I wholeheartedly expect that all the people in the country will accelerate their march, with pride and firm conviction in the accomplishments we have achieved with our own sweat. I can tell...(supplying additional passage.)

Page E-3, paragraph four, last line, the radio version reads...trust and harmony. Once again, availing myself of this, I express my deep gratitude to the people who have made labourious efforts to consolidate stability and continue national development, while rescuing the country -- which teetered on the brink of disaster due to the uneasiness, terror, and confusion following the 26 October incident -- from a crisis and while overcoming the mounting ordeals and challenges with great latent strength. I also hope that the wisdom and resources of the people will serve as a greater strength in the future in running the government.

[Reporter] I am Yi Song-chun, of HANGUK ILBO. Attention is focused on the discussion of constitutional revision. Would you please tell us what ideas you have about the timing for revising the Constitution and about the direction the discussion will follow -- the object of paramount concern in political circles? Also, both the ruling and opposition parties claim democratization as their cause in seeking constitutional revision. Mr President, what does your excellency think is the most desirable thing for the acclimatization of democracy in our country.

[Chon] Before discussing constitutional...(supplying additional material, deleting subhead, rewording.)

Page E-4, paragraph three, last line the radio version reads...have been given. Let me make it clear that I will be the first president to step down precisely at the end of the prescribed term of office. My hope is that the day when I honorably leave Chongwadae of my own accord will long be remembered as the day a new era of genuine democracy was opened in the history of Korea.

And this precedent that I am going to set must evolve into a firm and lasting tradition; it must not turn out to be an isolated event.

For such an aspiration of mine to come to fruition, it goes without saying that all politicians -- regardless of whether they are in the ruling party or opposition parties -- and the general public must participate and cooperate in the task. Accordingly, I hope and am confident, together with my fellow countrymen, that the process of my retirement upon completion of my term will be carried out in a festive mood with congratulations and gratitude nationwide.

It is my fundamental belief that laws and systems should not be changed frequently. It is more important to properly administer existing laws, rather than change them in quest of short-term expediency, if their inherent purposes are to be effectively fulfilled. Moreover, if a political force or those in power revise the Constitution to advance their self-interest, the basic law would have to be amended again every time the reins of power change hands. Such a vicious circle would have no end.

I know that more than a few people doubted that I really meant it when I first emphasized the single-term presidency. In fact, rumors were rife that I may attempt to become reelected by changing the indirect presidential election system prescribed by the current Constitution into a direct vote system and that plans are being made secretly for the constitution to do away with the single 7-year presidential term provision. Later, as confidence in my determination to step down upon completion of my prescribed term grew firmer and far more widespread, demands surfaced for constitutional revision to change the methods of electing the president. Controversy swirling around the constitutional revision came in the shape of creating social unrest and confusion.

I had been thinking that the old practice of resorting to emergency measures of one kind or another to suppress opposition and challenges must never be repeated and that the method of ruling as such should be brought to an end. I was greatly concerned that if society became further confused due to confrontation over the issue of constitutional revision, and if force had to be employed to end the confusion, this would inevitably make it difficult to ensure the smooth maintenance and development of constitutional government. I could not help but worry that should the situation become uncontrollable, opportunities to translate into action my determination to step down at the end of my current presidential term and to effect a peaceful transition of power might be lost and that, accordingly, another serious crisis of democracy in our country might ensue.

Therefore, I arrived at the conclusion that the issues concerning constitutional revision ought to be resolved by political resources, rather than by physical force, if my historic mission was to be accomplished. As I made clear to the leaders of the rival parties on 30 April, my unchanging personal conviction is that the best way to let democracy grow in this land is to effect a peaceful transition of power in accordance with what the current constitution prescribes. However, out of an ardent desire to avoid extreme confrontation and clashes so a peaceful transition of power can be realized, I have said that I would not oppose amending the Constitution even during my tenure, if the rival parties reach an agreement on the issue in the National Assembly.

Now that the rival parties are engaged in discussing constitutional revision, all of us should encourage and cooperate with them so an accord can be reached smoothly. Democracy means representative government. It should thus be considered that an agreement reached between the ruling and opposition parties at the National Assembly is a national consensus.

However, it must be kept in mind that only when the ruling and opposition parties democratically reach agreements through lawful procedures and methods will it be possible to consider them truly representative of the people. If I am to express my hope for constitutional revision, the current attempts to revise the Constitution should fully reflect national consensus on the subject so there will be no further controversy over the system, exhausting national energy. In that way, we should work out an excellent constitution that can continue until unification. A new constitution should be truly faithful to such great goals as genuine democracy, national development, and public welfare. In order to prevent such goals from becoming empty words, the Constitution should be so written as to reflect our historical traditions and cultural backgrounds, as well as our national security and social realities.

Above all, the issue of revising the Constitution should be solved in a way that the ruling and opposition parties discard their private goals and partisan interests and strategies through genuine dialogue and negotiations. Only when one discards personal greed, can one see things clearly and only then will it be possible to come up with a constitution that will truly be in the interests of the people. In light of this, it must be clearly realized that if genuine democracy is to be fostered, how to forestall prolonged one-man rule and prevent the arbitrary exercise and abuse of power is a much more important issue than how to choose the president. As for the timing of a constitutional revision, I think, as I have already made clear, that since the National Assembly has already decided to prepare an amendment bill, there is no need to slow down and so the sooner the matter is concluded, the better it will be. I believe, however, that the ruling and opposition parties should not waste time on futile debate motivated by partisan interests and strategies, while hastily and carelessly disposing of truly important issues.

[Choe Kyu-chol] I am Choe Kyu-chol, of TONG-A ILBO. Public opinion is widespread that the constitutional revision based on agreement between the rival parties should come to fruition without fail. Nevertheless, it seems that there are great differences in the stands taken by the rival parties in approaching the discussion of constitutional revision. So, if the current situation continues, the prospect for negotiations for constitutional revision is in fact very unpredictable. How do you view the negotiations for the constitutional revision? Also, how do you think the issue should be resolved if an accord is not reached between the rival parties?

[Chon] I think it...(supplying additional material, deleting subhead, rephrasing question.)

Page E-4, paragraph eight, last line radio version reads...with high expectations.

[Ko Hung-kil] I am Ko Hung-kil, of CHUNGANG ILBO. From the day you took the oath of office as president, your excellency has consistently emphasized peaceful governmental change. In this connection, it seems that people at home and abroad are greatly interested in who will be chosen to succeed you. What kind of person does your excellency, also the president of the DJP, think will be the best candidate for the presidency? Also, please let us know when the DJP will choose its presidential candidate and in what manner?

[Chon] I am not...(deleting subhead, rephrasing question.)

Page E-5, paragraph two, last line, radio version reads... Questions, I think. [Song To-kyun] I am Song To-Kyun, of the MBC. Much talk is... supplying identification of reporter.]

Page E-11, paragraph six, last line, the radio reads... an objective assessment. In the course of contacts with leaders of various European countries during my visit to Europe, I could clearly see this. Also, the fact that the number of foreign businessmen and politicians visiting our country has drastically increased demonstrates this. Unless such a favorable economic situation is undermined by our own domestic elements, I am confident that our country will be able to progress quickly to become an advance country.

[O Chol-ho] I am O Chol-ho, of YONHAP NEWS AGENCY. In the name of the reporters present here, I thank you, your excellency Mr President, for giving us detailed explanations for a long time. We know you are busy as your schedule must be tight. If you have anything to add to what you have just said or anything else to say to the people, please tell us.

[Chon] As I have told... supplying additional material, fuller version of question.

Page E-5, paragraph seven, last line, the radio version reads... the right occasions.

[Ha Won] I am Ha Won, reporter of CHOSON ILBO. In accordance with a plan to put local autonomy into practice from next year, the government has recently completed public hearings in various parts of the country. Accordingly, people are showing increasing interest in to what extent local autonomy will be put into practice. Some are also raising their voices to say that local autonomy might have to be delayed, depending on the outcome of the constitutional revision negotiations. Mr President, what plans do you have in this regard?

[Chon] Local autonomy is... (deleting subhead, providing fuller version of question.)

Page E-6, paragraph four, last line, radio version reads... the constitutional issues.

[Pak Chang-sok] I am Pak Chang-sok, of THE KOREA TIMES. Most students are earnestly engaged in academic pursuits. However, some of them, those who are radically influenced by leftist ideology, have shown a somewhat radicalized inclination of late. The majority of the people who want stability have been shocked by this and are concerned about it. Such radical inclinations can also be observed in the attitude of some hard-line, off-stage politicians. How does Mr President view such a phenomenon occurring in some segments of our society?

[Chon] It is true... (deleting subhead, providing fuller version of question.)

Page E-7, penultimate paragraph, lines six and seven, the radio reads... under the Constitution.

[Yi Yong-il] I am Yi Yong-il, reporter of KBS. In the course of growth and stability, demands for welfare and distribution have risen in recent years. Also, concerns about the low-income brackets, including the workers earning low wages, are growing. Could you please tell us what measures you have in mind to absorb and solve such problems?

[Chon] The ultimate reason... (providing fuller version of question.)

Page E-9, paragraph two, last line, the radio version reads... to five years.

[Kim Yong-hon] I am Kim Yong-hon, of the KYONCHYANG SINMUN. Please explain the... (deleting subhead, providing identification of reporter.)

Page E-9, last paragraph, last line, the radio reads... the South. As long as North Korea's military superiority is sustained, the danger of another war on the Korean peninsula will be hard to remove. The coming two... (supplying additional sentence.)

Page E-10, paragraph four, last line, the radio version reads... hosting them.

[Kim Hak-kyong] I am Kim Hak-Kyong, of THE KOREA HERALD. The Korean economy... (deleting subhead, supplying identification of reporter.)

Page E-11, antepenultimate graph, lines five and six, radio version reads... an economic slump.

In about 40 days, we will be hosting the Asian Games in Seoul; an unprecedentedly great national event, the hosting of the Seoul Olympics, will soon take place; and a historic turning point, the first peaceful change of government, will also come soon. These three events will be the first of their kind in the history of our country. Their successful accomplishment will give our country and people an ideal opportunity to achieve dramatic progress.

Opportunity does not present itself frequently. It is a truly great people who do not miss an opportunity to come along and who make good use of it to achieve rapid success. As a great people, we Koreans have come to a point where we should put our greatness to work once again. In the past, we used to deprecate ourselves, calling ourselves old coin or something else. However, our strength now does not allow us to indulge in such self-depreciation. Over the fact that we have achieved price stability and a high degree of economic growth despite the difficult conditions we have to endure at home and abroad, specialists all over the world praise us, saying that such a thing could have been done only by our people. We should not turn a deaf ear to such remarks because they are coming from foreigners. We should have firmer confidence in ourselves and continue to advance.

Although my term of office will come to an end in about 1 and 1/2 years, in order to accelerate our national advancement I will not tolerate any situation that could cause my fellow countrymen to become anxious and worried. I reiterate that I will employ all the powers vested in the office of the president under the Constitution to meticulously carry out my duties. Come what may, I will do everything in my power to maintain and enhance a social atmosphere conducive to productive work. My administration is unwaveringly determined to protect and promote the well-being of all people. The government is strong and powerful enough to back up this pledge.

I request that my fellow countrymen have unflagging faith in the office of the president and the administration and that they go about their daily business without anxiety. I understand that some are trying to spread malicious and groundless rumors to alienate the government from the people. Instead of allowing yourselves to be allured by such things, I want you to even more enthusiastically participate and cooperate in attaining our national goals.

In fact, our people have lived through a difficult period during which we had to defend national sovereignty, ensure our rights to exist, prevent war, and rid ourselves of poverty. However, we are no longer a weak people who are roaming around behind the history of the world. We are a strong people. We have now reached a point where we can take-off toward the ranks of advanced countries and emerge as the center of the world -- an opportunity that we cannot afford to waste, nor should we.

As a people sailing in the same boat -- that is, a people with the same destiny -- our 40 million fellow countrymen should row their oars to arrive at their destination, while mutually understanding and helping.

Let us all... (supplying additional passage.)

SEOUL DAILIES REACT TO CHON PRESS CONFERENCE

SK132305 [Editorial Report] On 12 August all six Seoul vernacular newspapers published editorials on the 11 August summer press conference held by ROK President Chon Tu-hwan.

In its editorial, the independent CHOSON ILBO begins with a quotation from Chon's remarks that "the situation in which opposition and challenges have been countered by emergency means, and similar ruling methods, should be reformed." The daily then states: "All hardliners should closely examine and follow President Chon's basic stand -- the stand that he assumed in dealing with the proposal for revising the Constitution." Noting Chon's expression of a desire to resolve matters concerning constitutional revision not through physical power but through political power, the paper attributes the accidental fire at the independence monument to "a lack of politics due to strife and discord among various circles and groups."

Noting Chon's suggestion for reorganizing the party and government at the proper time, the paper says that now is the most opportune time. "The people ardently desire to see one thing that has been rare in the past 20 years. They want to see that ministerial posts or high-ranking party posts immediately vacated when something undesirable occurs."

In its editorial, SEOUL SINMUN, a pro-government organ, stresses the importance of the 2 years until 1988. In noting the "remarkable progress" since President Chon took office in March 1981, it says: "Noteworthy in the achievements attained by President Chon is that while quickly overcoming the political chaos following the 25 October incident, he set forth a blueprint for political development. This was expressed by a firm will to peacefully transfer power." Calling for creation of conditions for a peaceful transfer of power, the daily says: "The way to realize the president's will for a single presidential term is to achieve constitutional revision through reaching an agreement, which is what the people are hoping for. What is most important is achieving this end is to continuously achieve political and social stability."

Again calling for stern punishment of antisocial acts that aim at "gradually weakening the ruling powers," opportunistic practices that undermine social discipline, and left-leaning violence, the daily says: "Needless to say, political development is important to us. However, what should precede it is an attitude and effort for developing the system of social stability to meet our situation by equally distributing the benefit of the growth attained thus far."

In its editorial the independent HANGUK ILBO welcomes President Chon's support for constitutional revision through reaching an agreement and his confirmation of a desire to peacefully transfer power. Noting the president's expression of feelings of optimism concerning negotiations for constitutional revision by calling for quickly revising the Constitution, his will "not to tolerate illegal and violent acts disturbing society," his reference to the question of a successor and to the time for reorganization of the cabinet and the party, his expression of a belief that "there will be no difficulty in redistributing income," and his allusion to North-South negotiations, the daily said: "In a word, the press conference conducted by the president that day -- at which he recalled his term of office over 5 and 1/2 years and in which he delineated the direction of national administration for the remainder of his term of office -- was reconfirmation of his confidence in national security and in the stability of the people's daily lives."

In its editorial, the independent TONG-A ILBO begins by saying: "What has been brought into bold relief is the fact that of President Chon Tu-hwan's 7-year term of office, 5 years have already passed, leaving only 1 and 1/2 years." The paper then states that the remaining period is not enough to "revise the Constitution through reaching an agreement" and to "smoothly follow a political schedule in accordance with this cause."

Quoting the president's statement that "questions concerning constitutional revision should be resolved not by physical power but by political power," the editorial says: "The sooner the better as far as constitutional revision is concerned," and "an answer concerning a DJP successor will be given after a plan for constitutional revision is formulated in the National Assembly."

Urging that attention be given to Chon's desire to "accept the youths' wholesome spirit of criticism and the country," and to resolutely counter "radical left-leaning ideologies and the principle of violence," the editorial refers to the president's call for North Korea's participation in the Olympics. It expresses regret over his lack of references to the independence monument fire, to the sexual torture incident at the Puchon police station, to trade friction between South Korea and the United States, and to the timing of reorganization of the party and government in connection with these affairs. TONG-A ILBO concludes: "The people are interested in successful conclusion of the remaining period of President Chon's term, as well as in setting the direction for this period."

In its editorial, the independent CHUNGANG ILBO, noting the significance of the press conference when 1 and 1/2 years remain in the presidential term, says: "It is doubtless that President Chon Tu-hwan will become the first president to retire from office after concluding a single term in accordance with the Constitution."

Dwelling on Chon's call to achieve national consensus to prevent the exhaustion of national strength and prevent one-man, long-term office and acts destroying laws, order, and stability, it notes Chon's decision to determine a successor following the adoption of a plan for constitutional revision in the National Assembly.

"If a successor emerges quickly, the ruling structure will be weakened by a lack of consistency. If the work of marking 'a centrepetal point' becomes belated, the work of making preparations for the transfer of power will likely become entangled."

Noting the people's ardent desire to reform national administration, the paper says: "We believe that now is the time to reform the national administration." It continues: "The recent incidents -- including the fire at the independence monument, the incident at the Puchon Police Station, and the question of trade between South Korea and the United States -- have left a scar on the minds of the people. Someone should take responsibility for these incidents. However, no minister has voluntarily resigned."

Urging the DJP to act according to its vow to respond to the trend of the times for democracy, the editorial says: "Through the press conference, we are once again brought to the realization that President Chon's role in constitutional revision is very important. The more important this role becomes, the more ardently we want to see the president retire after smoothly completing the political schedule of his term of office -- such as constitutional revision through agreement and a general election conducted in accordance with this process -- and thereby receive the applause of the people."

The pro-government newspaper KYONGHYANG SINMUN in its editorial notes the significance of the press conference at "a very important political moment on the country." Noting the importance of the work of developing democracy by revising the Constitution through reaching an agreement and by adopting a local autonomy system, the paper praises the president's will to retire in "a festive atmosphere." Lauding the president's achievements in stabilizing the price of goods and running state affairs based on the "great principle of national harmony and democracy," the daily says: "The will to develop the tradition of a peaceful transfer of power is firm."

Again noting President Chon's call to achieve stability, the daily says: "More than the true development of democracy, stability complies with the people's desire. Without stability, constitutional revision will be difficult." Also noting the president's will to resolutely deal with left-leaning violence, the paper says: "Radical ideologies that tolerate communists are the most dangerous factors challenging us in the dangerous situation in which the North and South confront each other."

FOREIGN MINISTER ON N.-S. TALKS, OLYMPICS, TRADE

SK150130 Seoul THE KOREA HERALD in English 15 Aug 86 Supplement p 2

[Interview by THE KOREA HERALD with ROK Foreign Minister Yi Won-kyong -- date and place not given]

[Text] Question: President Chon Tu-hwan's European tour in April has helped create a favorable atmosphere for the nation to deepen its substantial tie with EC countries. Will you elaborate on follow-up measures being taken to make the most out of the outcome of the presidential trip?

Answer: The President's visit to the four European countries has created a strong momentum for closer cooperation with them in many fields. Since the trip, the government has been making efforts to keep this momentum alive and give more substance to our century-old ties of traditional friendship.

A wide range of follow-up measures are being taken with particular emphasis on the promotion of trade, economic, scientific and technical cooperation with the European countries. A number of high level meetings and exchange of various economic and technical missions with Europe are already on agenda for the second half of this year.

These contacts will focus primarily on finding concrete ways for liberalization of trade, cooperation in small and medium industries, joint ventures for marketing in third countries, technology transfer, and scientific research cooperation on high technology.

Our efforts to intensify economic partnership with Europe are also aimed at diversification of our overseas markets and suppliers.

Increase of exports to EC countries in the first half of this year, which surpassed 50 percent over the same period of last year, is an encouraging sign in this regard. At the same time, Korea is expected to buy more from Europe this year than ever before.

In the political field, closer consultation and cooperation is under way with the European countries with a view to strengthening peace and security on the Korean peninsula, especially in the way of creating a favorable international atmosphere for joint entry of South and North Korea into the United Nations and cross-recognition of two Koreas by major powers. We will continue to pursue our common aspirations for peace and prosperity in a close partnership with the European countries.

Q: The last Olympic Games were crippled by ideological disputes and boycott by some countries. What do you think of prospects for the Seoul Olympics in 1988?

A: Needless to say, the 1988 Seoul Olympics should not repeat the precedents of Moscow and Los Angeles. I believe it is an important duty for Korea and the entire international community to hold the Seoul Olympics successfully in the pure Olympic spirit which should set aside the differences in ideology or political system in order to make the event a festival of peace for the whole mankind.

We are making our utmost efforts to ensure the success of the Seoul Olympics. The door is wide open to all the member countries of the IOC. We have pledged to guarantee the security of participants from every country.

Despite all our efforts to make the event a great success, North Korea has advanced the preposterous idea of cohosting the Seoul Olympics. The so-called cohosting idea is not only contrary to the Olympic Charter and the decision made by the IOC plenary session at Baden Baden in 1981, but also unprecedented in Olympic history.

Nevertheless, we, in close cooperation with the IOC, have offered them two main games and one preliminary in order to endure their participation in the Games. We have already discussed the subject three times at meetings in Lausanne under the auspices of the IOC, where we showed our maximum flexibility, and accepted the IOC's compromise proposal on June 30, 1986.

North Korea's position on the IOC's proposal is not yet clear but we all expect good results from the meeting, so that North Korea will participate in the Seoul Olympics as a member of the Olympic family, respecting the Olympic Charter and the Baden Baden decision in 1981.

We are optimistic about the participation of the East European countries in the Games.

Many socialist countries have attended the international sports competitions held in Korea on a large scale during the last few years. And the Seoul ANOC meeting of last April was attended by 152 countries out of 161 ANOC member nations including the Soviet Union, the People's Republic of China and most of the East European countries with whom we have no diplomatic relations.

With this success in the ANOC meeting, we became convinced that differences in ideology and political system will not stand in the way of successful holding of the Seoul Olympics. We hope the Seoul Olympics will be a most successful peace festival with universal participation.

Q: Since it unilaterally broke off the inter-Korean talks last January, Pyongyang has persistently rejected Seoul's call for a resumption of the talks. What is your view on prospects for the inter-Korean dialogue?

A: We believe that the Korean question should be resolved peacefully through direct talks between the South and North. With this firm belief, we have exerted every effort to hold constructive dialogue with North Korea.

But the North, as you have indicated, unilaterally cancelled all the scheduled talks in protest against our "Team Spirit 86" exercise and rejected our repeated call for a resumption of dialogue.

"Team Spirit" exercise has been conducted annually since 1976 to ensure preparedness for the defensive purposes of the Republic of Korea Armed Forces. The defensive military drills can take place in any country for national security. To associate our defensive military exercise with the inter-Korean dialogue is nothing but an excuse for North Korea's unwillingness to talk with the South.

Recently the North proposed a three way military talks in total disregard of the existing four channels of dialogue.

It is evident that the North Korean proposal aims at shifting the criticism on its unilateral suspension of South-North dialogue. If North Korea really wishes to reduce tensions in the Korean peninsula, it should immediately resume the existing South-North dialogue and respond positively to our proposal for a meeting of the highest authorities between South and North Korea. It should be noted that President Chon already expressed his willingness to discuss all questions, including military matters, in the summit meeting.

The history of South-North dialogues reminds us that North Koreans are engaging in the talks merely to cover up its military strategy and its hidden design on the South.

But we will not cease to pursue a dialogue in good faith even if the true motive behind North Korea's participation in dialogue is far from any desire for easing tension and lasting peace on the Korean peninsula.

Q: North Korea has been insisting that the 1988 Olympics be co-hosted by South and North Korea. This is expected to launch a war of propaganda in international fora, including the upcoming Third World Non-Aligned Summit Conference in Zimbabwe. How do you intend to respond?

A: Since Seoul was chosen in 1981 as the host city of the 1988 Olympics, North Korea first mounted a campaign against holding the Olympics in Seoul. They argued that holding the Olympic Games either in Seoul or Pyongyang would perpetuate the division of the Korean peninsula.

As it became clear that their arguments would not be heeded and that the Seoul Olympics would be successful, North Korea then advanced the ludicrous demand that the '88 Olympic Games should be co-hosted by Seoul and Pyongyang.

This year, North Korea has stepped up efforts to gain support for its proposal from some of the non-aligned countries, and the forthcoming summit meeting in Zimbabwe has been a particular focus.

In this connection, it should be noted that a great number of non-aligned countries made it clear that North Korea's demand is, from the beginning, unreasonable and unacceptable, because the '88 Olympics was awarded to Seoul by the decision made by the IOC plenary session in 1981 in accordance with the Olympic Charter.

Despite North Korea's obstructionist attitude and posturing, we have responded to North Korea's demand with sincerity and patience and have encouraged North Korea to participate in the Games. We strongly hope that the Seoul Olympics will be a sports festival blessed with universal participation.

Q: North Korea has recently been intensifying its ties with the Soviet Union in military and political fields. What is your assessment of the development, especially with regard to the balance of power on the Korean peninsula and the Northeast Asian region as a whole?

A: During the recent years, North Korea and the Soviet Union have been significantly strengthening their bilateral relations in various fields. Since Kim Il-song's visit to the Soviet Union in May 1984, there have been frequent exchanges of high-level visits which have brought about an expansion of the scope of political, military and economic cooperations.

In the military field, the Soviets have supplied North Korea with sophisticated military weapons including MIG 23's, while North Korea, in return, has permitted Soviet warplanes to have overflight rights across the North Korean territory and the Soviet warships to have access to the North Korean ports. Closer military cooperation has also been demonstrated by the increased military exchanges such as the recent Soviet high calibre naval and Air Force delegations' commemorative visits to North Korea on the occasion of the 25th anniversary of the Soviet-North Korea mutual assistance treaty.

Such trend of intensified ties between North Korea and the Soviet Union, particularly in the military field, poses serious security problems for the South. Since it considerably enhances North Korean military capabilities, the military and strategic balance on the Korean peninsula could be further tipped in North Korea's favor, thus rendering the security situation in Northeast Asia unstable and precarious.

Given North Korea's intransigent attitude against the direct negotiation between the South and the North and their aggressive policy, we have grave concern that the recent Soviet military assistance to North Korea could make security environment in the region more precarious and encourage North Korean adventurism.

In this regard, we wish to urge the Soviets to exercise restraint in their military cooperation with North Korea and to play a constructive role in reducing tension and consolidating peace on the peninsula by encouraging the North to be responsive to our call for the inter-Korean dialogue.

Q: Seoul has long requested admission to the United Nations, either by itself or jointly with Pyongyang. However, North Korea and its major allies have expressed opposition to this proposal. Do you see any change in international opinion with regard to the issue?

A: It is well known that the Republic of Korea has been seeking full and active membership in the United Nations in the belief that this would help promote international peace and cooperation by performing a constructive role in the United Nations. At the same time, we continue to urge North Korea to seek membership in the United Nations as well.

We are confident that the admission of both Koreas to the United Nations, as an interim measure pending reunification, would increase the opportunities for dialogue and cooperation, and enhance the prospects of peace and eventual reunification of the Korean peninsula.

It is unreasonable that the Republic of Korea should continue to be excluded from full membership in the United Nations, counter to the principle of universality enshrined in the U.N. Charter. Korea maintains diplomatic relations with 125 states, and its population of over 40 million places it among the top 20 percent of the world's nations.

The international community, excluding North Korea and its allies, shares with us the view that North Korea's argument that admission of both Koreas to the United Nations would only perpetuate the division of the Korean peninsula has no validity.

Last year, on the occasion of the 40th anniversary of the United Nations, it was urged that the idea of universality be more fully realized by admitting a small number of countries which had remained outside the world body. We hope the support for universality would lead to the Republic of Korea's entry into the United Nations in the future.

To this end, the Korean government will continue its efforts to rally support for the cause among the members of the world community.

Q: What's the position of the government concerning the proposed new round of multilateral trade negotiations? Are you for or against industrial countries' call for free trade in service sectors?

A: Rising protectionism has been restraining growth in world trade and severely threatening the multilateral trade system based on the GATT. The GATT system, as it now stands, cannot adequately deal with the multitude of problems besetting world trade today; indeed, the very viability of the system itself is increasingly brought into question. Should these trends grow unabated, the consequences may go beyond the economic sphere to jeopardize the political and social stability of many nations. There is an urgent need for action to arrest this downward spiral.

Korea supports an early launching of the new round in the belief that it will help resolve many of the current problems of the world trading system. To this end, the new round should aim:

-- To reverse protectionist trends in world trade and promote trade liberalization;

-- To strengthen and restore confidence in the multilateral free trading system;

-- To establish, under the auspices of the GATT, a broader framework of rules and disciplines dealing with the new and emerging issues in world trade.

As for the new issues, such as services, since trade in these areas is expected to expand rapidly in the future, it would be desirable to establish a framework for trade in these sectors. However, given the complexity and newness of the issues involved, caution will need to be exercised and extensive consultations are required on the modalities for negotiations.

Q: What is the rationale of the government for the decisive conclusion of the negotiations on the 301 cases, especially facing strong domestic oppositions?

A: In conducting negotiations with the United States Government with respect to the two 301 cases on the Korean insurance market as well as the protection of intellectual property rights, the Korean government had the following three basic guidelines in mind.

First, we have to be prepared to accept the obligations and responsibilities commensurate to our status in the world as the 12th largest trading nation. It is noted that the protection of intellectual property rights at the international level will be conducive to enhancing our international competitiveness.

Second, considering the high degree of external dependence of the Korean economy, we have no other option but to adhere to the free trade principles. In order to uphold this principle effectively, we have to pursue our market-opening policies with consistency, taking our domestic circumstances fully into consideration.

Third, in view of the importance of the U.S. market for Korea's export, and of the growing trend toward protectionism in the United States as our trade surplus vis-a-vis the U.S. increases, the maintenance of smooth trade relations with the United States is essential to the continuing economic growth in Korea.

POLICE PREVENT ATTENDANCE AT OPPOSITION RALLY

500 at Indoor Rally

HK140352 Hong Kong AFP in English 0350 GMT 14 Aug 86

[Text] Seoul, Aug 14 (AFP) -- Police Thursday cordoned off the major opposition party's headquarters here to prevent people from attending a rally there, witnesses said. About 1,500 riot police, some in plainclothes and others in riot gear, were mobilized to stop students and other presumed dissidents from approaching the headquarters in a busy commercial block in central Seoul, police said. The opposition New Korea Democratic Party (NKDP) was holding the rally to denounce alleged torture of dissidents and the alleged framing of political detainees as leftists by state investigators.

The authorities said in a statement that they had decided to prevent the rally as it was feared that it would disturb public order and social stability by propagating false rumors about alleged sexual harassment of a woman dissident by a police interrogator and other alleged torture cases. They said that although the rally ran counter to laws governing assemblies and demonstrations, they had decided to allow the NKDP to hold the rally indoors, considering that it was being hosted by a political party. They accused the NKDP of having tried to turn this indoor rally into an outdoor event by mobilizing more than 10,000 people. The headquarters can only hold 500 people, the government pointed out.

The NKDP issued a statement denouncing the police action, saying that the rally should have been protected by the authorities as it was a lawful one held indoors and hosted by a political party. The NKDP had pledged to host such a protest gathering after police broke up a similar rally, firing tear gas shells at about 3,000 people gathering for the protest in a Roman Catholic cathedral in downtown Seoul last month.

DJP Denounces Rally

SK141250 Seoul YONHAP in English 1221 GMT 14 Aug 86

[Text] Seoul, Aug 14 (YONHAP) -- South Korea's ruling Democratic Justice Party (DJP) Thursday denounced that the major opposition New Korea Democratic Party (NKDP) tried to create social disorder and political unrest by stirring the public opinion in an unlawful rally. The opposition party Thursday afternoon hosted a rally "to expose so-called torture and the fabrication of communists" at the party's headquarters with 500 people from the party, the Council for the Promotion of Democracy, and other dissident groups attending.

In a statement, DJP vice spokesman Kim Chung-kyun said: "The NKDP, which invited radical leftists to its headquarters and aligned itself with the cause of the leftists, cannot avoid the denunciation by the people and history." Kim said, "Our party hopes that NKDP proclaims before the people its resolution of not committing such an error and putting an end to its habitual fighting outside the National Assembly."

In the rally, the NKDP President Yi Min-u said, "The democratic constitutional revision and the national reconciliation in a real meaning will not be accomplished without firm guarantee of human rights."

KIM ON DEMOCRATIZATION; VIOLENCE IN SEOUL

HK141222 Hong Kong AFP in English 1142 GMT 14 Aug 86

[Text] Seoul, Aug 14 (AFP) -- A planned mass rally at the headquarters of South Korea's leading opposition party fizzled out Thursday as 1,500 riot-ready police cordoned off the building, witnesses said. The New Korean Democratic Party (NKDP) planned to gather 10,000 party-members and students outside its headquarters, but only 500 were able to get through the police ring, the witnesses said. They gathered there for three hours, denouncing the government for alleged torture of political prisoners and for trying to brand opposition politicians and dissidents as pro-communist. The police rounded up about 40 people for trying to break through the cordon, witnesses said.

Elsewhere in Seoul, about 1,000 student from 13 universities clashed with police as they demonstrated against the upcoming Asian Games in Seoul and U.S. pressure to open South Korean markets to U.S. companies. The students burned effigies representing "U.S. imperialism" and imported U.S. cigarettes, and hurled Molotov cocktails and stones at the police, who responded with tear gas during the three-hour melee at Hanyang University.

At the NKDP headquarters, party chairman Yi Min-u said the present "dictatorial regime" was "blatantly trampling basic human rights" by torturing political prisoners and trying to frame some dissidents as pro-communist leftists. Another opposition leader, Kim Yong-sam, denounced government "immorality" in the alleged sexual torture of a female dissident during police interrogation. Although government prosecutors denied the torture charges, a police officer was dismissed after an opposition and dissident outcry.

On Thursday, the NKDP protestors demanded that Prime Minister No Sin-yong, Home Minister Chong Sok-mo and the police chief be punished for "covering up" torture cases. They also charged that dissident university students were being forced into the Army following their release from prison, and they demanded to know more about the recent mysterious death of a student and a worker.

In another development, prominent opposition leader Kim Tae-chung told foreign reporters at his home that he was fairly optimistic about the restoration of democracy in South Korea next year. South Koreans are making strong demands for democracy, and the United States will eventually lend its support as well, he said.

Mr. Kim expressed doubts that a newly-formed parliamentary bipartisan committee could reach an agreement on constitutional changes, and said he believed President Chon Tu-hwan alone held the key to settling the issue. For that reason, Mr. Kim said, he and fellow opposition leader Kim Yong-sam are asking Mr. Chon for a meeting to discuss democratization. The two Kims are behind-the-scenes leaders of the NKDP, which is largely made up of their political followers.

Mr. Kim Tae-chung also charged that Mr. Chon was trying to cling to power by creating a Mexican-style one-party dictatorship, although the president may step down in February 1988 at the end of his term. Mr. Kim Tae-chung said his party would insist on a constitutional amendment to enable South Korea's president to be chosen by direct election. He said he would also firmly oppose the cabinet-responsibility system proposed by Mr. Chon's ruling party, which calls for a figurehead president and a powerful prime minister to be chosen by parliament.

Mr. Kim Tae-chung said anti-U.S. sentiment was high in South Korea because of Washington's support for the Chon government, but he expressed his belief that the United States would eventually support a genuine democracy. The 61-year-old opposition politician has made no secret of his intention to seek the presidency. He was narrowly defeated by the late president Pak Chong-hui in a 1971 presidential race. He was also sentenced to death for sedition under the present government. Mr. Kim said the opposition had a strong chance of winning parliamentary elections because of a lack of local autonomy.

Students Attack Police Car

SK150036 Seoul THE KOREA HERALD in English 15 Aug 86 p 8

[Text] About one hundred of opposition New Korea Democratic Party members and youths attacked a police sedan carrying two student demonstrators in front of the party headquarters, witnesses said yesterday.

They pulled one of the two students before the car sped away. Witnesses said policemen aboard the sedan were beaten and the car was damaged. The incident occurred shortly after the NKDP rally ended at 4:10 p.m.

SEOUL COLLEGES CLOSE CAMPUSES TO BAR RALLIES

SK140042 Seoul THE KOREA HERALD in English 14 Aug 86 p 8

[Text] Three major universities in Seoul have closed or will close their campuses to prevent radical students from holding anti-government events on the occasion of the anniversary of the National Liberation Day tomorrow. Seoul National University will close its campus tomorrow when students plan to hold "a national democratic liberation festival," school officials said yesterday. However, they said, all professors and administration officials will come to school to prepare for possible violent acts by student activists.

Riot policemen were assigned to Yonsei University yesterday to obstruct students from entering the school. Police took the action at the request of school authorities to prevent students from holding various events under pretext of celebrating Liberation Day, a police spokesman said. Korea University students have been restricted from entering the school since Tuesday when student summer camp was to open under the sponsorship of students council.

MONTSAME COMMENTS ON GORBACHEV-BATMONH MEETING

OW150735 Ulaanbaatar MONTSAME in Russian 1414 GMT 13 Aug 86

[Text] Ulaanbaatar, 13 Aug (MONTSAME) -- A MONTSAME commentator reports: The Mongolian public, with great joy and support, greeted the news of the meeting in Moscow between Mikhail Gorbachev, general secretary of the CPSU Central Committee, and Jambyn Batmonh, general secretary of the MPRP Central Committee and chairman of the MPR People's Great Hural Presidium, which was held in a cordial and friendly atmosphere and confirmed the total unity of views of the two fraternal parties and countries on all issues discussed. It assesses the meeting as an important political event, which has a great historical significance in the cause of enriching the genuinely Leninist and unbreakable friendship between the Soviet and the Mongolian peoples, strengthening and deepening fraternal ties between the CPSU and MPRP, and broadening and developing the close cooperation between the USSR and the MPR.

The successes of the Mongolian and the Soviet peoples in the implementation of the decisions of the 27th CPSU Congress and the 19th MPRP Congress, the spirit of creativity, [words indistinct] initiative, and Bolshevik truth in the cause of socialist and communist construction in our two countries were noted at the meeting.

The high assessment of the present state of broad and diversified Soviet-Mongolian cooperation made by the party leaders of the two fraternal countries and their understanding of the prospects for its development in accordance with the requirements of the long-term program of developing economic and scientific and technical cooperation between the USSR and the MPR for the period up to the year 2000, attached particular significance to the meeting.

The friendly meeting between Comrades M. Gorbachev and J. Batmonh also merits a high assessment by the Mongolian public and the peaceloving public of our world, owing to the fact that topical international issues were discussed. At (? a time) when the tension of the international situation has risen through the fault of the militant U.S. circles, the party leaders of our countries came out for further consolidation of the unity and cohesion of the socialist countries and for their further active cooperation in developing and implementing a coordinated foreign policy course aimed at removing the threat of nuclear war and strengthening and (? defending peace).

There is no doubt that the meeting will give a powerful impetus to the solution of topical problems of Asia and the Pacific. Conviction about the necessity for establishing relations of peace, cooperation, and good-neighborliness in this broad and densely populated part of the globe (?was expressed), along with a high assessment of the (?new) Soviet initiatives [words indistinct] nonuse of force in relations between the states of the region, and the known peaceful initiatives of other Asian socialist countries.

UNEN Editorial Cited

OW150749 Ulaanbaatar MONTSAME in Russian 1355 GMT 14 Aug 86

[Text] Ulaanbaatar, 14 Aug (MONTSAME) -- An UNEN editorial devoted to the results of the meeting between J. Batmonh and M. Gorbachev emphasizes its important significance in further developing and broadening fraternal friendship and cooperation of the two countries and peoples, and in deepening relations between the MPR and the USSR based on Leninist principles.

The relations of our countries, based on the principles of Marxism-Leninism and proletarian internationalism, serve as a vivid example of international relations of a new kind, the article notes.

The leaders of the two countries highly assessed the creative work of the communists and peoples of Mongolia and the Soviet Union in implementing the decisions of the MPRP and the CPSU Congresses and fundamentally assessed remaining unresolved issues and urgent problems.

The meeting affirmed with new force the unity of the positions of the MPR and the USSR on the issues of ensuring international security. The issues of ensuring reliable security and peace for the peoples of Asia and the Pacific, which were raised at the meeting, are inseparable from the issue of peace and security for all mankind. The repeated and known initiatives of our countries directed towards these goals can play an important part in this cause, the UNEN editorial says.

CGDK CABINET ISSUES COMMUNIQUE ON ACTIVITIES

BK140210 Bangkok THE NATION in English 14 Aug 86 p 5

[Text] The un-recognized Khmer coalition partners say their guerrilla fighters are operating permanently in and around seven major Kampuchean cities, including the capital Phnom Penh.

A communique issued by the Council of Ministers of the Coalition Government of Democratic Kampuchea (CGDK) after its second meeting this year, said the resistance forces were launching attacks against the Vietnamese troops deeper inside Kampuchea around the capital city, Tonle Sap Lake, Battambang, Muang, Pursat, Kompong Thom, Siem Reap and Kompong Speu.

It said increased cooperation among the three resistance groups had convinced local people, including Heng Samrin soldiers and members of communal administration committees, to provide more assistance to the guerrillas.

The CGDK also reaffirmed that the eight-point peace plan would remain the major diplomatic weapon used to persuade Vietnam to accept negotiations with the resistance forces for settlement of the Kampuchean problem.

"The eight-point peace proposal has become our national charter for the present and for the future after the Vietnamese withdrawal from Kampuchea," the communique said.

The peace plan released in March after the Council of Ministers meeting in Beijing contains provisions to include the Heng Samrin faction in the process of national reconciliation and the formation of the national government.

SENIOR KPNLF OFFICIAL ON USE OF U.S. AID

BK130138 Bangkok THE NATION in English 13 Aug 86 p 5

[Excerpts] The non-communist Kampuchean resistance forces have submitted a programme of future actions and lists of necessities to the Thai Government, which is administering U.S. \$3.35 million provided by the U.S. Government this year to assist in the struggle against Vietnam's occupation of Kampuchea.

A senior official of the Khmer People's National Liberation Front (KPNLF) told THE NATION that both KPNLF and the National Sihanoukist Army have jointly worked out a series of future programmes, with immediate and long-term objectives, which are designed to strengthen the fighting capabilities of the non-communist groups.

Washington recently released the U.S. \$3.35 million to Thailand, which is responsible for administering the aid. The U.S. said that the money is for a non-lethal nature.

The resistance forces official said the Thai Government is now studying the Khmer's proposal. "The decision will be made very soon. We are in hurry now that the rainy season is drawing to a close," the official said. [passage omitted]

The Khmer resistance official said the aid money will be used for medical supplies, food, communications equipment and military training for new fighters.

VOK REPORT ON SIHANOUK VISIT TO REFUGEE CAMP

BK140811 (Clandestine) Voice of the Khmer in Cambodian 0500 GMT 14 Aug 86

[Report on CGDK President Norodom Sihanouk's visit to Site B refugee camp in Thailand along the Thai-Cambodian border -- with portions recorded]

[Text] On 11 August, Samdech Norodom Sihanouk, president of the CGDK and chairman of the Funcinpec, and his wife visited the Site B Cambodian refugee camp where more than 30,000 Cambodians loyal to the Samdech fled last year from Ta Tum Camp due to the Vietnamese attack. The Samdech and his wife arrived at Site B Camp at 0900 on the morning of 11 August where they were warmly welcomed by Prince Norodom Rannarit and officials of all levels, foreign guests and journalists, and a large number of Cambodians in the camp. The Samdech and his wife joyfully chatted with the people. He then walked to the platform of honor, paid respects to the monks, who in turn blessed the Samdech and his wife, and then attended the flag ceremony. A woman representing the people of Site B Camp then made a speech telling him how much the people in Site B miss the Samdech and noting the developments in the camp. The Samdech then replied:

[Begin Sihanouk recording] I bow my head to pay highest respects to all the venerable monks. My love and respects to all the grandfathers, grandmothers, uncles, aunts, brothers, sisters, and all the sons and daughters. My respects to all the foreign friends and particularly the representatives of the international humanitarian organizations present here.

First of all, I would like to express deepest thanks for the grand and warm reception that all of you -- venerable monks, grandfathers, grandmothers, aunts, uncles, brothers, sisters, and beloved sons and daughters -- have organized for me. I have the great honor and great opportunity to be able to come to this place which is the symbol of the heroic patriotic struggle of all our Cambodian people. I am very impressed and satisfied with this heroism. [Words indistinct] the symbol of the valiant and dauntless struggle for national defense waged by all of you -- venerable monks, grandfathers, grandmothers, uncles, aunts, brothers, sisters, and sons and daughters -- living at this Site B Camp. Despite all difficulties and obstacles, all of you have struggled valiantly and patiently. [passage indistinct]. We have fought for a long time, for many years now. [Words indistinct] for our nation as fighters and as the loyal sons and daughters of our nation and Samdech Euv [Norodom Sihanouk]. At the beginning we had to live a difficult life in the jungle, but still we struggled for survival. [passage indistinct]. Later on, we organized a large camp called [name indistinct]. But when the Vietnamese aggressors realized that we could manage to live a better life, they then launched a large-scale attack against us. [passage indistinct]. Therefore, we have to establish a new camp called Ta Tuj. Ta Tum is a symbol of our nationalist army's heroism, the symbol of our people's valiant struggle, the people who are sons and daughters of Samdech Euv. [passage indistinct] Thus, we have come to take refuge under the [words indistinct]. The Kingdom of Thailand has thus allowed us to organize this place as a new camp called Site B Camp. At present, Site B has become a town with enough materials to improve the livelihood of our people. Tens of thousands of the Samdech Euv's sons and daughters today look healthy and seem to have a better life. You are properly dressed as good citizens of our Cambodia. This is thanks to the valiant and dauntless struggle of all of you under the leadership of Prince Rannarit as well as all other sons and daughters in charge of all aspects, such as the educational sector. Earlier, we had only small schools and only primary schools. At present we have even secondary schools which are progressing with each passing day. Moreover, just now children of the Sihanoukist personnel performed our traditional dances.

This shows that despite all difficulties and in whatever difficult circumstances, we Cambodians still try to preserve our fine traditions, culture, and civilization. They will always keep all our national civilization and traditions intact and even try to make them prosper forever. [applause] [end Sihanouk recording]

The Samdech then called on all Cambodian people, both inside and outside the country, to unite in order to fight and drive all Vietnamese aggressors out of our Cambodian territory as soon as possible. It is to be noted that during his visit to Site B Camp, Norodom Sihanouk also met and chatted with 22 Heng Samrin soldiers and a doctor who fled the Vietnamese zone to join the Sihanoukist National Army.

VONADK REPORTS ATTACK ON BATTAMBANG TOWN GARRISON

BK150246 (Clandestine) Voice of the National Army of Democratic Kampuchea in Cambodian 2315 GMT 14 Aug 86

[From the "Report From Various Battlefields" feature]

[Excerpt] On 11 August our National Army launched a three-pronged commando attack against the Vietnamese enemy's divisional command and municipal police office in Battambang Town from the north and the east. The first prong hit the 7704th Division's command and the municipal police office at the foot of the new stone bridge in Battambang Town. The second hit the Vietnamese enemy's depot of war materiel newly shipped in from Phnom Penh and the garment's depot. The third attacked the Norea township and the Norea commune office. After 30 minutes of fighting, we completely controlled all these spearheads, killing 8, including a Vietnamese police officer and a commander of the 7704th Division; wounding 10 others; destroying 5 AK's, 6 B-40's, 3 RPD's, 2 pistols, a depot of newly arrived war materiel.

Three hours later, Vietnamese troops at O Ta Van position and at the Bek Chan airfield of Battambang Town sallied out in an attempt to come to the rescue, but were intercepted and beaten back. We killed 9 Vietnamese soldiers, including 2 battalion commanders, wounded 7 others, and destroyed 15 assorted weapons and some war materiel. In sum, we killed 17, including a 7704th Division commander, a provincial police officer, and 2 battalion commanders, and wounded 19 others. [passage omitted]

LPRP ISSUES INSTRUCTION ON POLITICAL REPORT

BK131702 Vientiane Domestic Service in Lao 0000 GMT 13 Aug 86

[Text] The party Central Committee Secretariat recently issued an additional instruction on organizing the study, appreciation of and contributions to the draft political report of the party Central Committee, which will be presented to the Fourth Party Congress. In this additional instruction, the party Central Committee Secretariat made the evaluation that political life campaigns to study, appreciate, and contribute views to the draft political report of the party Central Committee have been carried out in various localities by various services in a timely, profound, extensive, and enthusiastic manner. Even though these political life campaigns may be carried out in different forms in each locality, generally speaking they have fully encompassed the contents, objectives, and expectations outlined by the 11 June instruction of the party Central Committee, thereby allowing cadres, mass members, and people of all tribes to understand, appreciate, and clearly see the great achievements and victories scored by our people; to understand clearly the weak points and remaining overall problems in the past 10 years; and, at the same time, to understand clearly and objectively the social and economic reality in our country. They have also extensively and profoundly criticized the deviation of attitude and several mistakes that have been made. As a result, they have appreciated the orientation, duty, and objectives of the economic strategy in each period outlined in the draft political report.

A new positive phenomenon is that cadres, party members, masses, and people of all strata have contributed their views to the draft political report with a sense of responsibility and sincerity.

The additional instruction of the party Central Committee Secretariat also noted that in these political life campaigns, certain significant problems still need more attention. Certain localities and services have organized the political life campaigns in a superficial manner that does not conform to the spirit of the instruction of the party Central Committee Secretariat. A number of responsible persons in some localities and services have failed to supervise the campaigns personally at the grass-roots level when study and discussion sessions are held at each level and in each sphere of work. Several localities and services have failed to reexamine and remodify their own second 5-year plans for the 1986-1990 period to align genuinely with the spirit of the draft political report of the party Central Committee. They have failed to guide the grass-roots production bases, agricultural cooperatives, and people in each village and mass organizations to discuss the actual implementation of the plan and to persist in realizing the objectives to build the plans from the foundations and districts upward. After completing each stage of the political life campaign, they have failed to consult one another and to launch a simultaneous emulation campaign.

To ensure the fulfillment of and to make these important political life campaigns rich with profound contents, the instruction of the party Central Committee Secretariat also provided additional guidance on certain issues. This is to encourage all provinces, municipalities, ministries, state committees, party committees, and organizations at all levels, both at the center and localities that have already organized the study of and contributed views to the draft political report but have failed to reexamine and criticize themselves and one another to do so. If a locality is currently studying the draft political report, it is instructed to criticize itself and others immediately so as to effect a new change and to develop unity and enthusiasm.

The party Central Committee Secretariat also instructed the secretaries of the provincial party committees, heads of the ministries, the state committees, the party committees and organizations at the center, and the leading committees in their respective levels to guide thoroughly and profoundly the grass-roots level, including all grass-roots organizations and people, in organizing the study of, appreciating, and contributing views to the draft political report; in carrying out inspection and self-criticism; and in discussing the second 5-year state plan and discussing the actual implementation plan at the grass-roots and districts levels. They must collect data and views contributed to the draft political report, consolidate their own 5-year plans, and report the success of the political life campaigns to the center by 15 August 1986.

In carrying out the political life campaigns at the grass-roots, two [figure as heard] things must be ensured; the fulfillment of political objectives and expectations, the period of time, and the fulfillment of the two tasks at the localities and foundations by effectively promoting production at the grass-roots sectors, for example, and especially by aiming at the period when the people are concentrating on carrying out the main-season rice growing. The socialist emulation campaigns must be promoted and encouraged in each sphere of work, especially in the current main-season rice production, the national defense and public security work, and the preparation for the new school year so that they will become genuinely consistent, effective, profound, enthusiastic movements to score achievements to welcome the forthcoming fourth party congress and to avoid any superficial action lacking new changes.

SECURITY MEASURES FOR PARTY CONGRESS DISCUSSED

BK141155 Vientiane KPL in English 0903 GMT 14 Aug 86

[Text] Vientiane August 14 (OANA-KPL) -- The party committee of Vientiane capital sponsored here yesterday a conference to discuss security measures in preparation for the coming 4th Congress of the Lao People's Revolutionary Party CC. The conference chaired by Sisavat Keobounphah, secretary of the Vientiane party committee, was attended by over 100 cadres from various public institutions. The participants listened to a report on the achievements of defence work in the recent past and adopted a new action plan in preparation for the 4th Party Congress.

PRASONG, MICHAI APPOINTED TO PREM'S OFFICE

BK141506 Bangkok Television Service in Thai 1300 GMT 14 Aug 86

[Text] A report from the Government House today says that Prime Minister General Prem Tinsulanon has signed an order appointing the secretary general to the prime minister and government spokesman, which will be submitted to the cabinet for acknowledgement tomorrow. The order appoints Squadron Leader Prasong Sunsiri, National Security Council secretary general, to be secretary general to the prime minister succeeding Lieutenant General Chantharakup Sirisut; and appoints Michai Wirawithaya, former deputy industry minister to be spokesman of the prime minister's office replacing Dr Trairong Sunwannakhiri who is now a member of the House of Representatives.

DEMOCRAT MP'S 'DISSATISFIED' WITH CABINET SETUP

BK140212 Bangkok THE NATION in English 14 Aug 86 pp 1, 2

[Text] Democrat Party leader Phichai Rattakun yesterday faced tough questioning from his party members over the composition of the new Cabinet during a lengthy meeting marked by heated arguments, the party's spokeswoman said.

Spokeswoman Suphattri Matsadit told reporters that the questions posed included why Pattani MP and Muslim leader Den Tomina was left out of the Cabinet and whether the other four members of the working group headed by Phichai had been consulted over the appointments of the Democrats to the Cabinet.

"The atmosphere was tense but it cooled off after the party leader clarified the steps involved," the spokeswoman said.

A senior Democrat member told THE NATION that Den's omission from the Cabinet was dealt a severe blow to the Democrat Party because Muslim communities formed a significant base of support for the party.

The Democrat member said that the Muslim supporters of the party were told that Den would be appointed to the Cabinet.

Den kept silent throughout the session which lasted about two hours and a half and was chaired by deputy party leader and Chiang Mai MP Kraison Tantiphong.

Another unsuccessful Cabinet nominee, Chaloemphan Sivikon, a deputy Democrat leader and Bangkok MP, denied during the meeting that he had told the Press he was disappointed. He stressed loyalty to the party.

But Sakon Nakhon MP Anong Tongsiri appeared disappointed that she was not made a Cabinet member. She was quoted as saying her husband had been elected MP twice while she herself was a three-time MP but was never given a portfolio.

Anong told the meeting she would leave politics as soon as the present term of the House expires.

Phichai explained to the meeting that he submitted the list of 25 Democrat nominees to Premier Prem Tinsulanon who he said sent for him several times to inquire about the background of some of them. Prem, however, made the choice himself, he said.

Phichai also made known his frustration over the negotiations leading to the formation of the new Cabinet. He said he was frustrated by the other two coalition partners, Chat Thai and Social Action parties, which insisted that Prem must be made the premier.

The Democrat leader said Den lost the Cabinet post to Deputy Agriculture Minister Suthep Thuaksuban, a Surat Thani MP, probably because the premier is more familiar with the southern MP, who served as former PM's Office Minister Banyat Banthatthan's secretary in the previous Prem Government.

There was speculation that Banyat may have played a role in the appointment, according to disgruntled Democrats who noted that both Banyat and Suthep were elected in the same province.

Deputy Interior Minister Wire Musikaphong was also disappointed with the appointment, according to the source who said that Veera wanted to take over as agriculture minister or at least Public Health which went to Tak MP Thoetphong Chaiyanan.

"Wira feels that he should have been promoted as a minister because he has been deputy minister for many terms. Furthermore, Thoetphong had been appointed deputy minister only once before this appointment," one Democrat said.

Chaloemphan, meanwhile felt that Gen Prem should provide him with an explanation why he was dropped from the list of nominees, the source said.

During the meeting, a group of Muslim leaders led by Manit Witthayanon called on the Democrat leaders to express congratulations on the appointment of 16 Democrats to the new Cabinet but they inquired why Den was denied a post.

Manit was quoted as saying that he would not mind if the Democrats could not provide an explanation because some day, he would finally learn of it one way or another.

Phichai told Muslim leaders that he was frustrated from the very beginning that the coalition would comprise four parties and one group.

He said that he wished to see a government comprising the majority party, instead of many parties.

Democrat sources also said that many were dissatisfied that only 16, and not 17 Democrats were appointed Cabinet members.

Dailies on Cabinet Changes

BK141210 [Editorial report] Three Thai-language Bangkok dailies: SIAM RAT, THAI RAT, and NAEON, on 12 and 14 August carry editorials welcoming the new cabinet appointed by Prime Minister Prem Tinsulanon.

SIAM RAT's 700-word page 8 editorial on 12 August entitled: "The Duties of the New Cabinet", says that the 44-man cabinet lineup announced on 11 August "does not create any confidence or give assurance to the public that it will be able to solve the existing problems of the country and the people." This is because most of the new cabinet members are former ministers in the previous Prem government which has run the country for over 6 years now. The newcomers, meanwhile, have no record of big achievements to impress the people.

The cabinet list reflects a compromise of various interest groups. "Most of the ministers are financial sponsors of their respective political parties. It is likely that such a compromise could create a problem one day in the future," the paper says. It however expresses the hope that those ministers with clean records, especially the prime minister himself, will serve as an obstacle to block politicians who are businessmen from taking advantage of their high positions to benefit their personal or party interests. It hopes that the policy of the new government will also help create the sense of common responsibility for all cabinet members in order to solve national problems.

THAI RAT's 700-word page 3 editorial on 14 August entitled: "The Task of the New Government", also notes that the coalition government of four elected political parties and a nonelected grouping is based on the spirit of compromise. What is more important than the allocation of ministerial positions based on party quotas is the laying down of national policy which governs the line of administration. This cannot be based on compromise among parties or groupings, but must be based on the principle of work coordination among parties to best benefit the country and the people.

The new government is being challenged by numerous problems, including economic and social problems. "The people put their hope in the new government to solve those problems urgently, efficiently, and wisely. It is hoped that the new government leader, although he is not an elected prime minister, will run the government with courage and speed, and not in the style of bureaucracy characterized by slowness and fear of making mistakes," THAI RAT says.

NAEO NA's 700-word page 4 editorial on 14 August entitled: "Where Is Stability" says that, although opposition in the parliament is not a threat to the government, the problem of its stability lies in internal bickering within the coalition parties, namely the Democrat, Chat Thai, and Social Action Parties, over the allocation of cabinet portfolios. Moreover, the government is confronted by a huge economic problem. The public is watching whether this government will be better than the previous government in tackling the economic woes for the people.

"We express support and encouragement for the new government so that it will be able to run the country to the best of its capability. We hope that it will dedicate itself to the fullest in order to solve the long-standing problems, and prove to the public that an insult, that those newly appointed cabinet ministers who are major financial backers to their respective parties in the recent election would only try to redeem what they have invested, is not true," the paper concludes.

PARTIES WANT PREM TO EASE TIGHT FISCAL POLICY

BK130145 Bangkok THE NATION in English 13 Aug 86, pp 1, 2

[Excerpt] The three major partners in the new coalition want Premier Prem Tinsulanon to ease the tight fiscal policy adopted during the last government and call for increased government spending and investments.

The Democrat Party, the largest coalition party, has proposed the formation of a national farm council to direct the production and marketing of agricultural crops. It also wants the government to promote investments in labour-intensive projects as a means to solve problems of unemployment.

A source in the party said the government needs to increase its investment budget by at least 2,000 million baht to stimulate the economy while at the same time promote foreign investments.

Deputy Finance Minister Dr Suphachai Phanitchaphak is believed to be behind the economic platform of the Democrat Party which also advocates the utilization of unorganized money market to benefit the economy.

The austerity policy adopted by former finance minister Sommai Huntrakun during the last government was blamed for the economic downturn.

Premier Prem Tinsulanon last week submitted the draft of his policy to all the four parties in the coalition for consideration and amendments. The policy will be announced to the House soon.

The Social Action Party (SAP) will push the government to increase its spending by another 10,000 million baht either in the form of development or investment projects to stimulate the sluggish economy.

The party is also in favour of borrowing of loans both from foreign and domestic sources for such projects provided that they offer easy repayment terms and low interest rates.

The party wants the government to encourage investments here, especially from Japan and Europe. It also advocates diplomatic measures to fight trade protectionism in developed countries.

The SAP pursues a policy of lower taxes to stimulate the economy, especially personal income tax, export tax and business tax.

Sources in the party said it wants the government to incorporate the "tambon fund" in its development policy.

⁴ The Chat Thai Party, meanwhile, wants the government to implement long-term plans to upgrade prices of agricultural produce through integrated farm system. It also wants the government to reduce domestic oil prices. [passage omitted]

Suthi on Fiscal Measures

BK140314 Bangkok BANGKOK POST in English 14 Aug 86 p 13

[Text] New Finance Minister Suthi Singsane yesterday said he considers the country's financial stability the most important issue although economic growth must go along at a reasonable rate.

Dr Suthi said he will use financial measures that will be conducive to more investment by the private sector and to create more jobs, such as the one concerning the business tax.

"The country's economy has been through a long slump. Although the situation is improving, the need remains to maintain the financial stability as the country's budget deficit and debt situation are still heavy," he said.

He emphasized that whatever will be done, financial stability must be kept in mind at all times because of the chronic budget deficit problem and the tax collection short-fall.

"When the Government's income is limited, its spending must be carefully watched," he said. "But the situation is not hopeless as the surrounding factors have so far been favourable, such as the lower bank interest rates, the low inflation rate, the three oil price cuts in only one year and the adjustments in corporate and export tax structures."

"When we look at the commodity situation and the death of the Jenkins Bill, we will realize that all is not bad," he added.

Economic growth is necessary, but it must be in relation to the employment situation, he said, stressing that most importantly, the growth must be gradual.

"On the part of the Finance Ministry, it must carefully watch the spending of governmental organisations and state enterprises to suit the economic growth rate while, at the same time, improving its tax collections," he said.

Dr Suthi again stressed that economic growth must be carefully monitored to avoid losing financial stability. He explained that financial stability can be gleaned from two key indicators, one of which is the debt situation.

He admitted that Thailand's debt situation, both internal and external, is heavy and that if the country is too indebted, it could become critical as all the country's resources would have to go to repay debts.

But he pointed out that debts are necessary, otherwise the situation in the future could be very bad. "The main problem is that the people who borrow and those who have to pay back are not from the same generation. This is because of the political situation, the worldwide factors and the long repayment periods."

He suggested that "in the case that we cannot immediately stop borrowing, some disciplines must be applied by the Finance Ministry in the form of putting up a borrowing ceiling at not more than 10 percent of the national budget or setting a repayment limit to not more than 9 percent of export earnings.

"In financial theories, such disciplines are necessary, but in reality, they are very difficult to apply," he admitted.

Another key indicator of financial stability is the budget deficit, he said. "While spending has been growing at a high rate every year, the country's economic growth has been only around 5 percent per annum. But being a developing country, our spending has to be somewhat high.

"It is not possible that we will not invest in anything, so whatever we do will have to be extremely selective."

Dr Suthi revealed that as for the revitalisation of the economy, "if we look at the Gross National Product (GNP), we will see that the state is responsible for only 17 percent while the private sector is responsible for 83 percent.

"So the private sector has a great role in stimulating the economy, but the Finance Ministry has to play a part in creating a good climate in which the private sector can invest," he said

Regarding the Bank of Thailand, Dr Suthi said he would like to see the central bank become more independent and do its job in accordance with its assigned duties. "I will also promote a closer relation between the central bank and the ministry," he added.

PARLIAMENT AGREES ON SCHEDULE OF SESSIONS

BK141527 Bangkok Domestic Service in Thai 0530 GMT 14 Aug 86

[Text] The House of Representatives held the second meeting of the 1986 session at the Parliament building today. After the meeting heard, the royal commands appointing the house speaker and deputy house speakers, the prime minister, and the cabinet, it went on to consider issues concerning the holding of parliamentary sessions. The meeting agreed that Parliament should hold two ordinary sessions annually -- the first beginning on 1 April and the second on 1 September -- and that only one session should be held in 1986. The house will meet once a week every Thursday at 0900.

SITTHI ON SRV TIES, CAMBODIA, TRADE RELATIONS

BK140122 Bangkok BANGKOK POST in English 14 Aug 86 pp 1, 3

[By The Chongkhadikit]

[Excerpts] Foreign Minister Sitthi Sawetsila declared yesterday that Thailand wants to be friends with Vietnam and that the big powers should be able to work out solutions to such problems as the Vietnamese occupation of Kampuchea.

He told the BANGKOK POST in an exclusive interview that Thailand and its ASEAN allies will let the Coalition Government of Democratic Kampuchea (CGDK) take its own initiatives on discussions with the Vietnamese government or with the Heng Samrin regime.

He believes that with the changing attitudes of the big powers there will be a more reasonable Vietnamese leadership which has been indicated in a Hanoi statement on the 10th anniversary of Thai-Vietnamese exchange of diplomatic relations.

Thailand and ASEAN are still firm on the United Nations resolution regarding withdrawal of Vietnamese forces from Kampuchea, Air Chief Marshal Sitthi stressed.

"Vietnam wants to be friends with us and has assured us that it will not violate our territory. After having undergone 40 years of war, it appears eager to talk since it cannot get Kampuchea by conquest and since the Soviet Union wants to promote good relations with China as shown by its withdrawal of troops from Mongolia on December 8."

This shift in Hanoi has apparently taken place after the death of diehard Le Duan.

"We are not an enemy of Vietnam. We want to find a solution which will not affect our security and which will help us resolve our refugee problems.

"We would like to talk with Vietnam but we are still firm in our policy about Vietnam withdrawing its forces from Kampuchea. We in ASEAN will have nothing to do with the CGDK in the way of active partnership.

"We will leave the matter up to the big powers. Preparations are being made for the summit conference between U.S. President Reagan and USSR President [title as published] Gorbachev. The Khmers should be able to work out their destiny in two years."

On the 10th anniversary of Thai-Vietnam relations, the Foreign Ministry of the Socialist Republic of Vietnam "takes this opportunity to reaffirm the consistent policy of the SRV respecting the independence, sovereignty and territorial integrity of Thailand and also other countries, and its readiness to build and develop friendship, cooperation and goodneighbourliness with Thailand and all other countries.

"The Foreign Ministry believes that with goodwill from both sides we are fully able to solve all outstanding questions between our two countries in the interests of the people and of peace, friendship and cooperation in Southeast Asia."

Thailand's foreign policy will be independent to maintain national sovereignty, security and prestige. The Foreign Ministry will improve relations with all neighbouring countries and maintain relationships with other countries on the basis of equality and maintenance of peace.

Thailand will not allow its territory to be used to destabilise or undermine the governments of neighbouring countries and hopes its neighbours will have the same policy. Emphasis will be placed on the maintenance of peace and stability in the region and on strengthening economic and political cooperation with ASEAN partners.

Relations with the big powers will be further improved based on respect for the principles of the United Nations Charter. Expanded relations with the Third World are also planned.

The Ministry of Foreign Affairs will improve its relations with the other ministries, and conduct public relations domestically and abroad to improve Thailand's image and prestige.

ACM Sitthi intends to keep the Thai people informed of foreign affairs so that they can understand and provide support.

The Foreign Ministry will expand commerce and use diplomacy to improve the national economy by attracting investment, technological knowhow and tourism. [passage omitted]

The Ministry of Foreign Affairs will work closely with the Ministry of Commerce, a SAP [Social Action Party] - headed ministry to obtain data on world market trends and needs so that farmers can be informed to produce what is demanded and, therefore, can be sold. This is becoming increasingly necessary with protectionism.

The promotion of agro-industries is to be encouraged so that Thailand's own raw materials, so that the exports can earn more income, and so that there will be greater employment.

The government should give incentives for foreign investment in a silo system to store commodities for sale at the best marketing periods. It should be exploring the futures markets.

The Japanese should be approached to transfer technology which will help Thailand improve its products and economy. They should be encouraged to set up export-oriented industries in export-processing zones.

The Foreign Ministry will strive for greater cooperation with fellow-ASEAN countries in matters of complementary trading and preferential tariff rates. There will not only be ASEAN joint industrial projects but also coordination in the marketing of products and in bargaining with developed countries over commerce.

U.S. CITIZEN ARRESTED IN APRIL 1985 EXPELLED

OW141534 Hanoi VNA in English 1517 GMT 14 Aug 86

[Text] Hanoi VNA August 14 -- The people's committee of Nghia Binh Province, central Vietnam, on August 13 decided to expel Robert Wilfred Schwab III, a U.S. citizen born in Georgia and residing in Atlanta who was captured on April 23, 1985 in Vietnamese territorial waters while taking acts against the sovereignty and security of Vietnam. He was also fined duly in accordance with Vietnamese law. Schwab admitted having engaged in illegal acts in contravention of the penal code of the Socialist Republic of Vietnam. He pledged not to repeat his anti-Vietnam activities and asked the government of the Socialist Republic of Vietnam for clemency. Before leaving, he expressed his gratitude toward the Vietnamese Government and people for the humanitarian and lenient treatment accorded him.

SYMPOSIUM SUPPORTS GORBACHEV REMARKS ON PEACE

OW141721 Hanoi VNA in English 1535 GMT 14 Aug 86

[Text] Hanoi VNA August 14 -- A symposium on peace and security in Asia and the Pacific took place here today in support of the new peace initiatives put forth by CPSU General Secretary Mikhail Gorbachev. The symposium, jointly sponsored by the Vietnam Fatherland Front Central Committee, the Vietnam Committee for Solidarity and Friendship With Other Peoples, the Hanoi Peace Committee and the Hanoi chapter of the Vietnam-U.S.S.R. Friendship Association, was attended, among others, by Xuan Oanh, general secretary of the Vietnam Peace Committee, and Truong Tung, deputy chairman of the Hanoi People's Committee. The participants warmly welcomed the Soviet leader's peace initiatives and expressed their determination to do their best to contribute to the cause of peace, security, and equitable cooperation in the region.

TRUONG CHINH MESSAGE OF THANKS TO LAO LEADERS

BK080349 Vientiane Domestic Service in Lao 0000 GMT 8 Aug 86

[Text] of "recent" message of thanks from Truong Chinh, general secretary of CPV Central Committee and chairman of SRV Council of State, to Kaysone Phomvihan, general secretary of LPRP Central Committee and chairman of Council of Ministers, and Souphanouvong, LPDR president and chairman of SPC and of Lao Front for National Construction]

[Text] On behalf of the CPV Central Committee, the Council of State, the National Assembly, the Council of Ministers, and the Vietnam Fatherland Front, I would like to extend sincere thanks to the LPRP Central Committee, the Council of Ministers, the SPC, the Lao Front for National Construction, and all fraternal Lao people for organizing significant and wholehearted activities on the passing away of our Comrade General Secretary Le Duan. Those activities served as profound manifestations of the unshakable militant solidarity and special relations between our two parties and peoples.

Complying with the will of beloved and respected President Ho Chi Minh and loyal to Marxism-Leninism and socialist internationalism, the CPV and the Vietnamese people pledge to continue to enhance and consolidate the strength of the Vietnam-Laos and the Vietnam-Laos-Cambodia militant alliance and solidarity and wholeheartedly fulfill the international obligations toward the fraternal Lao party and people.

I wish the Lao people, under the leadership of the LPRP with Comrade Kaysone Phomvihan as head, new and ever greater achievements in the cause of defending and building the country.

Our communist greetings to you comrades.

SCIENTIFIC COOPERATION PROTOCOL SIGNED WITH LAOS

OW121630 Hanoi VNA in English 1541 GMT 12 Aug 86

[Text] Hanoi VNA August 12 -- A protocol on scientific and technical cooperation between Laos and Vietnam in the years 1986 and 1987 has been signed here at the end of a visit by a Lao scientific and technical delegation. The delegation is led by Minister Suni Nanthavong, chairman of the State Committee for Science and Technology. While here, the Lao guests were cordially received by Pham Van Dong, political bureau member of the Communist Party of Vietnam Central Committee and chairman of the Council of Ministers.

PHAM VAN DONG MEETS UNIDO DIRECTOR GENERAL

OW130749 Hanoi VNA in English 0719 GMT 13 Aug 86

[Text] Hanoi VNA August 13 -- Chairman of the Council of Ministers Pham Van Dong received at the presidential palace here yesterday Domingo I. Siaazon, director general of the United Nations Industrial Development Organization (UNIDO), and his colleagues, on a visit to Vietnam. With Chairman Pham Van Dong at the reception was assistant Foreign Minister Vo Van Sung. Anders Roejkjaer, coordinator of the United Nations in Vietnam and permanent representative of the United Nations Development Programme (UNDP), was also present.

Speaking to the guests, Chairman Pham Van Dong sincerely thanked and highly appreciated the UNIDO in general, and the director general in particular, for their assistance cooperation in Vietnam's industrial development. The Vietnamese people, the chairman stressed, will do all they can to better use the UNIDO's assistance. He expressed the wish for constant development of the effective cooperation between the UNIDO and Vietnam.

Director General Siaazon expressed his satisfaction at the result of the visit which had enabled him to see with his own eyes the Vietnamese people's industrious labour to rapidly heal the wounds of war. He expressed the conviction that the Vietnamese people, with their glorious tradition and great energy, will surmount the present difficulties and take Vietnam firmly on the path of industrialization. The UNIDO director general sincerely thanked Chairman Pham Van Dong for his hospitality and affirmed that in his capacity as director general, he will do his best to continue helping and cooperating with Vietnam within the framework of UNIDO.

UNIDO Delegation Departs

OW131725 Hanoi VNA in English 1554 GMT 13 Aug 86

[Text] Hanoi VNA August 13 -- D.I. Siaazon, director general of the United Nations Industrial Development Organization (UNIDO), and his colleagues, left here today concluding a week long visit to Vietnam as guest of foreign minister Nguyen Co Thach.

While in Vietnam D.I. Siazon and his party paid last respects to President Ho Chi Minh at his home and office.

Chairman of the Council of Ministers Pham Van Dong warmly received Director General Siazon. He was also received by and had discussion with Foreign Minister Nguyen Co Thach on the cooperation between Vietnam and UNIDO

Earlier, D.I. Siazon had working sessions with the Foreign Ministry, the State Planning Commission, the state Commission for Science and Technology, the Commission for Foreign Economic Relations under the Council of Ministers. Together with a representative of the United Nations Development Programme (UNDP) in Hanoi, he signed documents for two new projects with the Ministry of Power and the Ministry of Engineering and Metals. Director General D.I. Siazon visited several economic establishments of Vietnam and some projects sponsored by UNIDO in Hanoi and Ho Chi Minh City.

VAN TIEN DUNG VISITS CAM RANH NAVAL UNITS

BK140712 Hanoi Domestic Service in Vietnamese 0500 GMT 14 Aug 86

[Text] Senior General Van Tien dung, member of the CPV Central Committee Political Bureau, secretary of the CPV Central Committee's Military Commission, and minister of national defense, recently made a working tour of naval units on the Cam Ranh peninsula. The comrade met leading cadres of the party, administration, and military command of Phu Khanh Province as well as the representatives of schools and units stationed in Phu Khanh. The senior general visited the [Cam Ranh] military port and heard reports on the situation of various units, especially on the results of the enthusiastic emulation movement in training, unit-building, combat readiness, and economic construction to score achievements to greet the Sixth CPV Congress.

Addressing cadres and combatants of the Cam Ranh military port and representatives of Units and schools, the senior general commended them for their determination to overcome difficulties and hardships, their close unity with the people and the armed forces of Phu Khanh Province, their efforts to develop the results of self-criticism and criticism activities, their active contributions to building and defending the local territorial waters and the Truong Sa [Spratly] Archipelao, the exploration and exploitation of oil and natural gas, and to the safeguarding of Cam Ranh, one of the country's strategic positions.

Dealing with the situation and tasks of the armed forces, especially the specific tasks of those units stationed on the Cam Ranh peninsula and the Truong Sa Archipelago, the comrade emphasized: The struggle between the revolutionary and counterrevolutionary forces in the world continues to develop in various fields in a very fierce and complex manner. Faced with such a situation, the national defense tasks and the international obligations of our entire army and people are still very heavy. Here in this strategically important position, you, comrades, should not have any illusions or loose vigilance. Instead, you should be profoundly and fully aware of the situation if you are to implement satisfactorily all your assigned missions.

HOANG TUNG RECEIVES LAO TRADE UNION DELEGATION

BK120644 Hanoi Domestic Service in Vietnamese 1430 GMT 7 Aug 86

[Text] A delegation of the Lao Trade Union Federation [LTUF] Central Committee led by Comrade Thitsoi Sombatdouang, alternate member of the LPRP Central Committee and chairman of the LTUF Central Committee, recently paid a friendship visit to Vietnam at the invitation of the Vietnam Confederation of Trade Unions [VCTU].

During their stay, the guests paid homage to President Ho Chi Minh at his mausoleum and visited his residence and office. They were received by and had cordial talks with Comrade Hoang Tung, secretary of the CPV Central Committee. Comrade Pham The Duyet, alternate member of the party Central Committee and acting VCTU president, also received the delegation.

The LTUF delegation held working sessions with some members of the Secretariat and various specialized committees of the VCTU to exchange experience on organizational, emulation, social insurance, and general work, and in supervising the implementation of VCTU resolutions on various sectors' and trades' activities. The delegation also toured a number of production establishments and public welfare and cultural projects in Hanoi capital, Quang Ninh Province, Ho Chi Minh City, and the Vung Tau-Con Dao Special Zone. Wherever they went, the Lao guests were warmly received by local Vietnamese trade union and production establishment leaders who informed them of the production work and trade union activities of the workers and civil servants in the localities concerned.

NHAN DAN ON GRASSROOTS-LEVEL PARTY CONGRESSES

BK111416 Hanoi Domestic Service in Vietnamese 2300 GMT 10 Aug 86

[11 August NHAN DAN editorial: "Party Organization Congresses at the Grass-roots Level"]

[Text] In preparation for the Sixth National CPV Congress, this month grassroots-level party organizations will begin holding their congresses. These are very important political events. Grassroots-level party organization congresses will take place at a time when the grassroots-level organizations concerned have scored achievements in various respects. These organizations, however, continue to have numerous shortcomings and weaknesses as well as many difficulties, especially in those localities repeatedly hit by natural calamities. Faced with such a situation, a grassroots-level party organization congress must meet the following requirements:

First, we must correctly evaluate the situation of the party organization with a high sense of self-criticism and criticism, practically contribute our opinion to various draft documents of the national CPV congress, and satisfactorily prepare the resolution of the party organization congress complete with concrete objectives and positive and appropriate measures.

Second, we must elect a party organization executive committee capable of providing effective leadership to new, heavy tasks, especially those on socioeconomic, brought forth by the party organization congress. This executive committee will designate a delegate -- who must be competent, qualified, and ideologically steadfast, typical of the spirit of the party organization -- to attend the party congress at the higher echelon.

Third, we must strengthen the unity and singleness of the party organization and develop its tradition and fighting strength. We must try to promote a mass revolutionary movement to emulate in engaging in productive labor, practicing thrift, renovating management mechanism, and consolidating national defense and security with a determination to score outstanding achievements to welcome the Sixth National CPV Congress.

Bringing the fighting strength of the grassroots-level party organization and its dynamism, creativity, and steadfastness up to its standard and its level of importance always constitutes the most important duty of the entire party.

Grassroots-level party organization congresses must, based on various draft documents of the sixth national CPV congress, conduct criticism and self-criticism and must review the achievements and experience gained by their respective party organizations in implementing the two strategic tasks -- building and defending the socialist fatherland -- while deciding on the objectives and orientation for the period ahead. These objectives and orientation will continue to be perfected following the National CPV Congress.

This time such a grassroots-level party organization congress must manage to elect an executive committee that truly possesses good ethical qualities with good working attitude and leadership skills capable of fulfilling all the tasks brought forth by the grassroots-level party organization congress. This executive committee must uphold the sense of succession and continuity in cultivating its party committee echelon with a determination not to maintain those comrades who, in the previous term of office, failed to develop their leadership effectiveness, and those comrades whose ethical qualities are poor. Such liabilities include a decline in the will to fight, lack of a sense of responsibility, unlawfully nibbling at public lands, exploiting other people, taking bribes, misappropriating marketable goods and money, coercing the masses, seeking personal privileges, and adopting a paternalistic and arbitrary attitude.

A number of grassroots-level party organizations have experimented with conducting their party congresses. Experience obtained from this shows that party committees at higher echelons must pay great attention to guiding, supervising, and helping their subordinate party organizations, especially those party organizations whose performances are poor, in the fields of evaluating the situation, determining the orientation and tasks, and appointing backbone personnel to key positions.

It is necessary to train a contingent of lecturers capable of helping party members so that the infrastructure thoroughly understands the fundamental points of various draft documents of the national CPV congress as well as of higher-echelon party congresses.

While conducting grassroots-level party organization congresses, we must pay constant attention to our daily routine -- namely carrying out urgent tasks regarding the need to restore and develop production, intensify market management, stabilize the people's lives, and consolidate national defense and security against the enemy's multifaceted war of sabotage.

Grassroots-level party organization congresses must be conducted in such a way as to avoid showiness, formality, and waste, to produce realistic, high-quality results, to generate enthusiasm, and to enhance the masses' confidence. All these will contribute greatly to the success of the Sixth National CPV Congress.

FUEL SHORTAGE AFFECTS ELECTRICAL SUPPLY IN NORTH

BK050938 Hanoi Domestic Service in Vietnamese 2300 GMT 31 Jul 86

[Text] Due to the shortage of fuel, the electrical power generating system of northern Vietnam can now produce a total output of only 270 megawatts, of which 210 megawatts are for supplying to various production sectors and the people. The director of the electrical power Corporation No. 1 Ministry of Power, and the head of the irrigation management department, Ministry of Water Conservancy, have agreed to reserve electric power for agriculture, especially for the three heavily flood-stricken provinces of Ha Bac, Hai Hung, and Ha Nam Ninh. They decided to supply these provinces with 43 megawatts or almost 900,000 kw-hour per day. At peak hours, the electrical sector concentrates on supplying most of its electric power to anti-flood areas such as the Song Cau and Phan Coc dikes, the Day Dam, and other electrical loading stations in key areas such as the Da River hydroelectric power construction site, the Pha Lai thermopower construction site, the Thai Nguyen cast iron and steel complex, the Lao Thao super-phosphate plant, and various cement factories. Electrical supply to other less important sectors has been cut down to save power for agricultural activities. Vinh Phu, Ha Son Binh, Thai Binh, Nghe Tinh, and Thanh Hoa provinces have been consistently supplied with sufficient electrical power to enable them to coordinate with other sectors in maintaining agricultural and industrial production.

With the current shortage of fuel, an insufficient supply of electrical power will persist for sometime. However, improper use of electricity is still prevalent. Many families wastefully used electricity without asking for permission, thus saving no electrical power. Localities and sectors must correctly observe regulations on using electricity and positively take appropriate measures to save electrical power.

AUSTRALIAHAWKE REJECTS CALL TO CHARGE U.S. RENT

BK150622 Hong Kong AFP in English 0611 GMT 15 Aug 86

[Text] Canberra, Aug 15 (AFP) -- Prime Minister Bob Hawke said Friday his government would not introduce import quotas to rescue Australia from its deteriorating trade position. Mr Hawke said in a television interview that Australia would not improve its negotiating position if it started doing things it was asking other countries not to do. The prime minister was responding to a call from members of his Labor Party for new import barriers in next Tuesday's federal budget to stem Australia's worsening trade deficit. Last month, Australia recorded its second worst trading figures ever with a deficit of 1.56 billion dollars (about 935 million U.S.).

Mr Hawke said the best way to curb imports and help the economy was for consumers to buy Australian goods. He also rejected a call from some Labor members for the government to charge the United States rent for joint defence facilities in Australia. Mr Hawke said the government would not use the joint defence facilities as a bargaining chip in trade negotiations, despite concern at the U.S. cutting into Australia's principal wheat markets by subsidising grain sales to China and the Soviet Union. "We are not going to try and negotiate away Australia's security," he said.

PAPUA NEW GUINEA ASKED TO ACCEPT CUT IN AID

BK131049 Melbourne Overseas Service in English 0830 GMT 13 Aug 86

[Text] The Federal Government is asking Papua New Guinea to accept a \$10 million cut in foreign aid this financial year. Radio Australia's correspondent in Port Moresby, (Peter Cotton), says the request is carried in a letter from the prime minister, Mr Hawke, to his Papua New Guinea counterpart, Mr Wingti.

Australia's acting minister for foreign affairs, Senator Evans, is in Papua New Guinea explaining the cut. He has been explaining the economic situation in Australia and the consequent need to trim foreign aid. Our correspondent says he understands that the Papua New Guinea Government accepts the need for cuts but has asked for an assurance that there will be no further reduction in the remaining 4 years of the current aid agreement. Earlier this year, the two countries signed an agreement under which Australia pledged to give around \$1,500 million in aid to Papua New Guinea over the next 5 years, and last year Australia gave aid totaling \$310 million.

NEW ZEALANDDEFENSE MINISTER DEFENDS ANTINUCLEAR POLICIES

HK141131 Auckland THE NEW ZEALAND HERALD in English 8 Aug 86 p 5

[By Wellington staff]

[Text] The Minister of Defence, Mr O'Flynn, yesterday called a former Chief of Air Staff "Joe McCarthy resurrected" over an attack he made on the peace movement.

Mr O'Flynn accused Air Vice-Marshal Ian Morrison of making remarks that did little towards New Zealand's efforts for peace and regional stability.

In a speech two weeks ago, Air Vice-Marshal Morrison said peace campaigners were communist in spirit and were "playing into the hands of the enemy."

And he dismissed the Government's anti-nuclear stance as self-indulgent, dishonourable and shameful.

Speaking in Parliament yesterday during the budget debate, Mr. O'Flynn likened Air Vice-Marshal Morrison to the American Senator known for his anti-communist crusade.

"He is Joe McCarthy resurrected," Mr O'Flynn said.

"He has abandoned one of the very liberties we are trying to preserve -- the right to express freely, sincerely held opinion."

New Zealand was making continuing efforts towards peace and regional security, more so than any other country in the Pacific, and such remarks showed there was "not much help being given to us by some of our own people."

Mr O'Flynn told the House the Government anti-nuclear policies were not a breach of the letter or spirit of the ANZUS treaty.

When the treaty was signed there was no suggestion that the non-nuclear partners would have to harbour nuclear-armed ships, but the United States was now requiring New Zealand to do that.

The treaty was a legal document and it could not be interpreted by just one party.

Mr. O'Flynn said he agreed the working of the treaty was vague and might have to be interpreted with some flexibility, but the words "cannot accommodate the fundamental change which the introduction of nuclear arms has brought about."

New Zealand's view of ANZUS had always been that it was a conventional treaty, but the United States has made a demand outside the treaty and had threatened to suspend its own obligations under it.

"I expect that some time this month they will say, somehow or other, that they think we are in breach of the treaty."

"The truth is, although it is not a point that we want to enlarge upon, that it is their conduct which amounts to a breach of the treaty."

The opposition spokesman on defence, Mr Doug Kidd (Marlborough), said New Zealand was now without valuable intelligence and access to advanced training and modern weapons technology because of the "reckless arrogant actions" of the government.

After two years in office, the government was saying it would begin writing a defence policy.

He criticised the delay and said that judging by the time needed to compile such reviews, it was unlikely to be ready until the eve of the next election.

The government has set up a defense review committee, headed by a former Secretary of Foreign Affairs, Mr Frank Corner, to "do a political job."

But the Prime Minister, Mr Lange, had indicated that he was unhappy with the committee's findings as it seemed the committee did not deliver the contrived mandate, the government hoped for, Mr Kidd said.

To the credit of the Corner Committee it has addressed the real issues. For two years the Government had been mouthing fantasies and was totally divorced from the real world

NATIONAL PARTY GOVERNMENT WOULD ACCEPT U.S. SHIPS

HK141030 Hong Kong AFP in English 1016 GMT 14 Aug 86

[Text] Wellington, Aug 14 (AFP) -- New Zealand's opposition National Party would begin talks about rejoining the Australian, New Zealand and U.S. (ANZUS) alliance within days of winning the next election, opposition leader Jim Bolger said Thursday. Mr Bolger said in a radio interview he would open discussions "for re-admitting U.S. ships (to New Zealand ports) shortly after becoming prime minister" if elected at the next election. "I would expect the talks to be lengthy," he added.

New Zealand was suspended from ANZUS on Tuesday because the Labour government of Prime Minister David Lange denies U.S. warships port access if they are nuclear-armed. The United States' policy is to neither confirm nor deny (NCND) whether its ships are nuclear-armed.

Mr Bolger said a government under his leadership would accept U.S. warship port calls, and would not ask whether the vessels carried nuclear arms. "It is possible we might have a nuclear ship in harbour," he said. "Membership of the alliance requires we accept vessels on the NCND basis. We know the United States has nuclear arms capacity and that is totally consistent with NCND," he said, adding that most New Zealanders understood these membership requirements.

The National Party, which lost power in the 1984 general election, is now only one point behind the Labour Party in opinion polls. It is the only main political party in New Zealand to support visits by nuclear-armed warships.

SEPARATE LOYALIST, NPA TERRORIST PLOTS ALLEGED

HK150151 Manila Far East Broadcasting Company in English 2300 GMT 14 Aug 86

[Text] Defense Minister Juan Ponce Enrile yesterday [14 Aug] revealed a Marcos loyalist plot to launch terrorist attacks and kidnap top government officials. At the same time Marcos loyalist sources said NPA urban guerrillas are poised to unleash simultaneous raids in Metro Manila. Both plots were reported aimed at toppling the Aquino government. Both were however still unconfirmed. Minister Enrile bared the alleged loyalist plot in addressing the Inner Wheel Club of Manila. He said the target of the planned loyalist assaults are government installations and offices. The loyalists are reportedly planning to kidnap President Aquino, cabinet members and top military officials.

[Begin Enrile recording] The time-frame envisioned in this plot, or so-called plot, is before or after the president's visit to the United States of America in September. The exact date of the operation is not specified although it is supposed to be an early morning blitz here everybody is still sleeping, or a (?rightwing) assault against various identified personalities -- some 44 of them [words indistinct] in one phase, the last phase of this document. [Word indistinct] strategic location for areas that must be taken by the group, and they have mentioned fourteen places -- Malacanang, Camp Aguinaldo, Camp Crame, Bonifacio, Nichols, Basa Air Base, Fernando Air Base, Tanay, Camp Olivas, Camp Aquino, Channels 2, 4, 7, 9, 13, (?Beutel), Bureau of Posts and others. [end recording]

Meanwhile the reportedly impending NPA attack in Metro Manila was disclosed by Marcos loyalist forces. They said some 1,000 heavily armed urban guerrillas are poised to strike simultaneously in the capital region. The attacks are expected before the August 21 anniversary of the assassination of former Senator Benigno Aquino. The same sources said the objective of the attacks is to topple the Aquino government. The Communist Party of the Philippines has reportedly advanced its timetable to wrest power in the country because of the impending military crackdown on the underground movement. The same sources said they have reliable information that urban NPA guerrillas have spread out in the national capital region, waiting for the signal to launch attacks. The bases of their operations were reported to be Tondo, Taguig, Pateros, Dasmarinas and Sapang Palay.

Police on 'Maximum Alert'

HK150935 Hong Kong AFP in English 0912 GMT 15 Aug 86

[Text] Manila, Aug 15 (AFP) -- Manila police have been put on maximum alert after Defense Minister Juan Ponce Enrile's disclosure of an alleged plot by Marcos-loyalists to kidnap President Corazon Aquino, officials said Friday. Manila police chief Brigadier General Alfredo Lim said that police had been on "red alert" since Mr Enrile's plot claim in a speech here Thursday. Brig Gen Lim's name appeared on an alleged kidnap list printed in a local paper Friday. Military spokesmen could not immediately confirm if their forces were included in the alert. The presidential security troops' second-in-command Lieutenant Colonel Jesus Regala only told AGENCE FRANCE-PRESSE: "We are taking steps to cope with that report."

Despite the security alert and press reports about the alleged plot there was no sign of tension or trouble in Manila. Presidential spokesman Rene Saguisag Thursday said Mrs Aquino was not bothered by the report, first disclosed at a cabinet meeting Wednesday.

But Brig Gen Lim was protected by heavily armed aides as he lunched at a Manila restaurant Friday. His name was high on a list -- published in the EVENING POST Friday -- of 44 key civilian and military officials allegedly targeted for kidnapping by supporters of deposed President Ferdinand Marcos. The newspaper's list, which included two communist rebel leaders holding preliminary cease-fire talks with government negotiators, could not be immediately verified.

Mr Enrile also alleged Thursday that Marcos-loyalists planned to attack the presidential palace and 14 military and communications facilities, possibly during Mrs Aquino's visit to Indonesia and Singapore next week or her U.S. visit in September. But he added that the plot, betrayed by a seized letter, could just be a "money-making venture" by people seeking donations from pro-Marcos businessmen.

Mr Marcos, speaking through a spokesman from his exile home in Hawaii, denied Mr Enrile's charge Friday. "I cannot believe that the loyalists would plan such a fantastic plot. I'm sure that we will be able to exert everything so that if such a plot as alleged exists, it should not be undertaken," he said.

AQUINO STATEMENT ON UPCOMING ASEAN TRIP

HK141413 Manila MANILA BULLETIN in English 14 Aug 86 pp 1, 14

[Text] President Aquino last night assured the nation that her foreign trip will not in any way peril the country's new-found democracy, saying that it will be difficult for anyone to seize the government by a trick because the people themselves will not allow it.

Mrs Aquino said she had been warned that her coming visits to Indonesia and Singapore would be taken advantage of by people determined to bring back a discredited regime.

"It simply will not work" she said. "In this country, the sovereignty of the people is not just an abstraction, it is a living reality and a jealous possession of a race that fought and achieved its freedom with distinction unequalled in the world."

Speaking on her biweekly television program last night, Mrs. Aquino said her visit to the two ASEAN countries beginning Aug. 24 is aimed at projecting the stability of this nation ~~and~~ to emphasize the country's solidarity with its neighbors.

Her statement follows:

My visit to Indonesia and Singapore underscores the importance the new government attaches to Philippine relations with our ASEAN neighbors. These relations, which partake almost of the nature of kinship, is one of the chief tenets of Philippine foreign policy, given the lead role our country played in the creation of the Association of Southeast Asian Nations. As the new leader, therefore, of an ASEAN member nation, my ASEAN visit is directed towards the achievement of the following objectives:

1. To appraise our ASEAN neighbors of current social, economic and political developments in our country, thereby impressing upon them the stability of this nation. This is important for them for the stability of our country is the cornerstone of ASEAN security and peace. The configuration of the national security policies of the ASEAN states is determined to a large extent by developments in this country.

2. To project with renewed emphasis the solidarity of the Philippines with ASEAN in its efforts to achieve the goals of regional cooperation for peace and progress.

3. To establish a personal rapport with my ASEAN counterparts. The value of personal diplomacy has been demonstrated time and again, and now here more so than among the ASEAN cultures where personal relations play a preeminent role.

4. To show our preference in tackling first issues relating to ASEAN before attending to the issues arising from our relations with the world at large. I said in my speech before the ASEAN Ministerial Summit held here recently that it is my way to proceed first with the problems nearest to home, and then to those that touch the interests of the region, and only after that to attend to problems in the larger context of the world at large.

5. My first stop is Indonesia because I should like to underscore the special relations that the Philippines and Indonesia have always had. Our relations with Indonesia have always been the best imaginable. Indonesian-Philippine relations have a long and unbroken history of harmony and mutual supportiveness, particularly in matters of the highest national interest to both countries.

6. I am visiting Singapore to reciprocate the visit of Singapore Prime Minister Lee Kuan Yew. He was the first ASEAN leader to visit the Philippines. You will recall that Singapore also refused asylum to my predecessor in office. Singapore stands today as a model of development, despite the size of its territory and its lack of natural resources. We have much to learn from her. My visit to Singapore last year impressed upon me what Asians can accomplish given credible leadership and an inspired and dedicated work force.

And finally, the 1987 ASEAN summit meeting will be held in Manila. This trip should help prepare the ground for it.

Some well-meaning people have advised me not to travel at this time. To wait until we have solved all our problems here. It is precisely to find solutions to these problems that I am making the foreign visits that have been scheduled this year.

What really troubles those who advise against my trips is the danger they see to our new democracy. My absence, they believe, will put all that we have achieved in deadly peril. This is not true. Our long experience of oppression, and even more important, the remarkable record of Philippine liberation, make it extremely difficult for anyone to seize the government of our people by a trick. It simply will not work.

In this country, the sovereignty of the people is not just an abstraction, it is a living reality and a jealous possession of a race that fought and achieved its freedom with a distinction unequalled anywhere in the world. I am confident of your continuing ability to protect our new freedoms as well as you achieved them. I don't think it is my part to reassure you. It is for you, my people, to reassure yourselves that our democracy is safe in your hands.

COLUMNIST CRITICIZES U.S. TRIP PLANNING

HK140637 Manila PHILIPPINE DAILY INQUIRER in English 13 Aug 86 pp 4, 5

["Straight from the Shoulder" column by Luis D. Beltran: "Perilous Planning of Cory's Visit to U.S."]

[Text] If some things are not changed, President Aquino's official visit to the United States may become one of the major public relations disasters of this administration.

For starters, the people organizing the official visit have never participated in organizing one before. The members of the committee headed by Executive Secretary Joker Arroyo include Presidential Spokesman Rene Saguisag, Information Minister Teddy Boy Locsin, DBP [Development Bank of the Philippines] chairman Jesus Estanislao, Palace appointments secretary Ching Escaler, Finance Minister Jaime Ongpin, CB [Central Bank] Monetary Board member Cesar Buenaventura and DBP board member Tomas Apacible.

Among the members of the preparation committee for this official visit to America are people who have always had a reputation for being anti-American. This is like putting the Arabs in charge of a state visit to Israel.

The advance party, which will soon leave for the United States, includes Rene Saguisag and Ching Escaler. Saguisag is supposed to take charge of the media preparations because this visit will be largely a media event which Americans have already described as "being somewhere between the World Series and the Pope's visit" -- for that is how popular President Aquino is in the United States.

Saguisag, however, may not be the right person for handling media preparations. If you recall, he was the man who told a foreign correspondent in Malacanang that the newsman was "stupid" and advised him to "go back where you came from" -- after the newsman complained about poor media facilities in Malacanang. If Saguisag hues true to form in the U.S., he will be more famous than President Aquino before the visit is over.

An idea of how disorganized the whole preparation is may be gleaned from the fact that Philippine Ambassador to the U.S. Emmanuel Pelaez had to come home to Manila, before his participation became official. It seems Pelaez was being shut out by the Palace boys, who kept giving him contradictory instructions and data about the President's schedule in the U.S. and her other activities. Pelaez finally got fed up, came home, and reported directly to the President. He has since been put in charge of the secretariat for the visit, which means it may get organized from the U.S. side.

One thing the President must decide between now and her visits to Indonesia, Singapore and the United States is what she wants to say. For her U.S. visit, six drafts of six speeches which she will deliver have been finished and are now in the hands of Locsin. Some people who have read the drafts say that most of the speeches are filled with textbook economic terms, which make her sound like a junior economics professor. To be fair, Locsin didn't write them, other Palace "financial" advisers did.

The President must realize that the American public -- like other publics all over the world -- expect a leader whose major quality is her simplicity and honesty, who is beloved of her people because she had the courage and the fortitude to lead them from darkness into light.

They are not expecting a Wharton graduate or a minor flunkey from the World Bank, nor the leader of a trade and economic mission. Certainly, they are not expecting a spokesman for the finance ministry, the trade ministry, the Central Bank or even a chamber of commerce.

They want to hear the President speak to them, as they heard her on U.S. TV and radio during the election campaign, a simple housewife, whose Filipino qualities of bravery, of steadfast determination, of moral and spiritual integrity overthrew a dictatorship.

The last thing they want to hear is a packaged, homogenized, sanitized and sterilized caricature of a President put together by little men seeking to project their own personalities and ideas on the screen of her public image.

In other words, they want Cory, not her advisers' version of what she should be.

Even the President's schedule in New York already reflects the idea of some of her advisers that she should be treated like a traveling salesperson, peddling investment opportunities and barking financial come-ons. This is not what Presidents should do -- unless they have already reached the depths of penury that Marcos reached. It is the finance ministers, the CB governors, the financial and fiscal advisers who should be sitting down at dinners with businessmen and answering questions from businessmen and financiers. After all, they were the ones who made the rules and regulations and must implement them.

President Aquino should be above the commerce of man because she is a symbol, not a salesman.

A tribute to the vicious in-fighting in the Palace and an indication of how jealously some Palace officials view "their" turf is the exclusion of some officials from the preparations.

For example, Agrarian Reform Minister Heherson Alvarez is not included in the preparations, nor, till yesterday, was he included among the members of the party which will go to the U.S. Neither were Natural Resources Minister Ernesto Maceda, nor PCGG [Presidential Commission on Good Government] chairman Jovito Salonga have been included in the preparatory committee [sentence as published]. Not even that \$90,000 a year U.S. lawyer Raul Daza is in on the planning. And yet, these people are the ones who are well-known in the U.S., particularly in the U.S. Congress where the President will deliver a speech before a joint session. She will also meet congressional leaders during a luncheon and at a private meeting afterwards -- but she will not be accompanied by the men whom the congressional leaders know and have dealt with as leaders of the then Opposition.

And all because of the jealousy of Palace officials over their perceived territory.

One major problem which the President must resolve is the matter of the person to be appointed consul-general in San Francisco. If she makes a mistake in her decision, she could be met by pickets on the first stop she makes in her U.S. visit.

It seems that a career man, Ambassador Virgilio Nangas, has been appointed to the position and is now in San Francisco with his family -- all at the expense of the Philippine Government. However, the appointment of Nangas has not been signed by the President, because Executive Secretary Joker Arroyo has recommended his 82-year-old former law partner, Juan Quijano, who has been a resident of San Francisco for fifteen years. Quijano was the lawyer of the Yuyitung brothers whom Marcos forcibly deported to Taipei and Quijano himself was forced to flee the country to escape Marcos wrath. However, Quijano's appointment is being opposed by the whole Filipino community in San Francisco -- and they have already picketed the consulate over the issue. Unfortunately, the decision cannot be evaded, because the President must have a permanent consul-general in that city before she lands there. The fact that it is a problem is a testimonial to the clout of Joker Arroyo at the Palace.

REBELS MAY 'OCCUPY CERTAIN GOVERNMENT POSITIONS'

HK131521 Manila MANILA BULLETIN in English 13 Aug 86 pp 1, 9

[Text] Presidential Spokesman Rene Saguisag said yesterday the government is standing pat on its decision not to appoint communists in the Cabinet but said the policy of national reconciliation may enable former rebels to occupy certain government positions.

"This possibly cannot be avoided," Saguisag told Malacanang reporters yesterday who asked him if it was true that some communists or former communists may actually be working in the government.

"We ask rebels to come down from the hills and to join the mainstream of society, but if we do this and do not offer anything to them in return, then they may become disillusioned," he said.

"You just don't tell them to give up without giving them something," he added.

Saguisag said, however that any move to bring in communists in the government will have to be decided by the Cabinet "because it's a difficult policy question."

He said the government of President Aquino is open to everyone, "to all Filipinos. It's a government for all the people."

"Even if you are a communist," he said, "the system will be open for you as long as you work within the system."

Saguisag said that he has experienced many times being labeled as a communist.

"Even in the past government, many people worked hard to remove such labels, for instance, former labor secretary Blas Ople and former presidential spokesman Adrian Cristobal," Saguisag said.

He also said that even the past government invited former communists or rebels to work for them like Luis Taruc and Nilo Tayag.

No Communists in Cabinet

HK140129 Manila Far East Broadcasting Company in English 2300 GMT 13 Aug 86

[Text] Following a cabinet meeting, President Aquino reiterated that she has no intention of appointing a communist to her government. In an interview with newsmen, the president said that she has said from the beginning that she was not appointing any communists to her cabinet. Agrarian Reform Minister Heherson Alvarez said that, based on the discussion during the meeting, he felt an attitude of tolerance and accommodation towards the alleged communists [as heard]. He said he has a so-called communist in his ministry, Victor Bulatao, who now works as his executive assistant. Local Government Minister Aquilino Pimentel Jr, said that as long as these alleged communists have renounced violence, he sees nothing wrong in accomodating them.

U.S. DENIES PRESSURE FOR OUSTER OF OFFICIALS

HK131538 Manila THE NEW PHILIPPINES DAILY EXPRESS in English 13 Aug 86 pp 1, 3

[By B. Cruz and I. Mateo]

[Text] Reports that the United States Government was exerting pressure on the Aquino government for the ouster of three Cabinet members with alleged communist leanings drew varied reactions from quarters on both sides of the ideological spectrum.

The United States Embassy in Manila, through press officer Allan Croghan described the report as "not factual and absolutely without foundation."

He said it was not true that the U.S. State Department was pressuring President Aquino to remove Executive Secretary Joker Arroyo, Labor Minister Augusto Sanchez, and Local Government Minister Aquilino Pimentel Jr. as a pre-requisite to the release of American aid.

Arroyo, one of those mentioned in the report, dismissed it as "not worthy of comment." He also said the reported appointment of communists in low-level positions in government did not pass through him.

Anyway, Arroyo said, "a communist will never say he is a communist," indicating difficulty in screening government appointments.

Former Communist Party of the Philippines chairman Jose Ma. Sison on the other hand charged that the U.S. Government was pressuring the Aquino administration to remove "nationalists and liberal democrats" from the Cabinet.

Addressing a symposium at the UP [University of the Philippines], Sisson said the U.S. Government was exerting pressure through the two-pronged coup d'etat threat and financial squeeze.

He said the US also wants President Aquino to make an early commitment on the extension of the stay of US bases in the country and for her administration to comply with the dictates of the World Bank and the International Monetary Fund.

The US is using three factions in exerting pro-US and reactionary pressures on President Aquino, Sison said. He named the three factions as the Marcos, Enrile, and Laurel camps, adding that each of the factions has its own group in the Armed Forces of the Philippines (AFP).

The Marcos faction, Sison said, is the most dangerous threat to the Aquino government because of its huge financial, military, and political backing.

He said the Enrile faction, which is dominant in the AFP, is strengthening its position by taking advantage of the continuing conflict between the Aquino and Marcos camps.

BASE WORKERS CRITICIZE GOVERNMENT INACTION

HK131522 Manila PHILIPPINE DAILY INQUIRER in English 12 Aug 86 p 11

[By Glenda M. Gloria]

[Text] The Philippine Government yesterday was charged for not taking concrete actions to defend and assert Philippine sovereignty by Filipino base workers at Subic, Olongapo City, who were terminated July 2 and barred from reinstatement by the U.S. Government.

"The labor ministry had dubbed unfair Subic's decision to officially terminate the 42 workers, but no concrete steps to fight such injustice has been made so far," a spokesman of the terminated workers said.

The dismissed employees have been alternately staging a hunger strike since Aug 3 to press for more aggressive government action on their plight.

The dismissal was discussed last month by the Joint Labor Committee composed of representatives from the Philippine Government and the US.

The US panel charged that the 42 base workers worked "against the interest of the US bases management," charging that their primary goal was the "dismantling of American bases here."

The Philippine negotiators, led by Deputy Labor Minister Carmelo Noriel, asked for concrete evidence on the charges, but the US Government refused to give.

This caused the labor ministry to brand such decisions as "bare, empty and totally unacceptable to the Philippine Government." The US panel held on to its position.

The talks reached a deadlock and the 42 employees are still unemployed.

The Base labor Agreement of 1968, under which the Joint Labor Committee was created, does not provide for a resolution to break a deadlock between RF and US negotiators on labor disputes, the spokesman said.

"They are throwing the book back to us, one of the dismissed employees said in a statement.

"We are helpless to provide them (labor ministry) the leverage they need in asserting their position. Our fellow workers, no matter how sympathetic, can not openly support us for fear of similar dismissal," he added.

Manuel Torres, first administrative vice president of the Federation of Filipino Civilian Employes Association, has been the mainstay in the hunger strike. He has lost 20 pounds since Aug 3.

Torres refused to divulge when he will end his hunger strike, but said "until the Philippine Government shall have acted favorably on our side."

The dismissed employees are demanding for due process from the US Government.

"If their charges are true and they have evidences to substantiate they can rightly try us according to the law," the workers' spokesman said.

The workers contend they were dismissed "without cause."

Most of them had worked at the base from three to 30 years. All of them claimed to have been recipients of the highest awards given by the base management to outstanding employees.

The Collective Bargaining Agreement (CBA) last April carried a provision that employees should not be dismissed from work without due process.

COLUMNIST ON CONSEQUENCES OF U.S. WITHDRAWAL

HK131523 Manila MANILA BULLETIN in English 13 Aug 86 pp 6, 10

[From the Jesus Bigornia column: "Implications of U.S. Bases' Pullout From RP"]

[Text] Their populist president seen as having fallen under the spell of "left-winging" advisers, pragmatic Filipinos are scared half out of their wits by the prospect of an American withdrawal from the Philippines. Such an assertion may sound like an overstatement. But a spate of rumblings on Capitol Hill urging a pullout of American military stakes from an unappreciative Philippines to some Pacific island group are enough warnings of a possible disaster to sentient Filipinos.

Indeed, a lot of people on both sides of the Pacific Rim -- flag-waving radicals demanding Philippine independence from blood-sucking Uncle Sam and isolationist Americans griping over expenditure for the defense of far-flung outposts -- are in favor of a U.S. pullout, if the Philippines can take care of its own defense, an unlikely ability at this time. Defending the territorial integrity and political sovereignty of this country against an already visible expansionist Soviet Union is beyond the realm of possibility. Not even the application of the totality of the gross national product to defense purposes would stave off a determined invasion.

For the Philippines, the figures begin to hurt when it would have to find replacements for the 13th U.S. Air Force now based at Clark Air Base and the U.S. Seventh Fleet operating out of the Naval Facility in Subic, Zambales. Both are critical in preserving the umbilical cord through which oil from the Middle East must flow to fuel Asia's industries. Since signing a treaty of friendship with Vietnam in 1978, the Soviet Union has built up its naval might to parity with the U.S. in this part of the world. The two American military bases here are a constant foil to Soviet adventurism even as they serve as a shield behind which Southeast Asian countries may concentrate their resources to economic development so crucial to growth and stability.

It would not make sense to suggest that the Philippines, Indonesia, Malaysia, Singapore, Thailand and Brunei to expand their respective navies to cope with the presence of two Soviet aircraft carriers, 85 major surface warships, 134 attack submarines, including 31 nuclear missile-carrying craft and over 350 smaller surface vessels operating out of Cam Ranh Bay in Vietnam, a mere hour's flight to Manila. Where would the Philippines and its Southeast Asian allies find the money to buy and maintain close to 2,000 fighters, interceptors, bombers the Soviet Union maintains in nearby Vietnam, the ultra-nationalists of this country should be asked.

One of the earliest lessons a student learns in a political science class is the principle: Power abhors a vacuum. Once such vacuum would be created by American departure from Clark and Subic, who can now assure Filipinos that the Soviets will not move into Clark and Subic. Russian occupation of American-built facilities at Cam Ranh Bay should make even the most rabid nationalists pause and ponder. No Philippine administration, present or future, can stave off possible initiatives to extend Soviet influence in the Philippines.

It is difficult to imagine that a Filipino, regardless of his political orientation, cannot realize that a country as underdeveloped as the Philippines must align itself with one or the other superpower to survive. Neutrality is a will-of-the-wisp, an ideal beyond attainment in this period of history. Filipinos must make a choice -- and sooner than most expect -- to either take sides with the United States or swing over to that of the Soviet Union. For most of Filipinos the choice is obvious.

NEW POLICY ON SOVIET COMMERCIAL SHIPS SOUGHT

HK131541 Quezon City BUSINESS DAY in English 13 Aug 86 p 22

[Text] The Aquino government, through the Ministry of National Defense [MND] and Ministry of Foreign Affairs [MFA], has been asked to define a consistent policy in the treatment of Soviet commercial ships entering the country's territorial waters.

Cargo vessels from socialist and communist countries are treated differently from ships of democratic countries by immigration officials. This "distinction" in the flag of the ships directly affects the country's policy of neutrality.

Soviet commercial ships are allowed to lift Philippine cargos inbound and outbound, deriving revenues in the process.

These commercial ships, however, cannot be drydocked and repaired in all shipyards in the country.

One shipyard prohibited from drydocking and repairing Soviet ships is the Philippine Shipyard and Engineering Corp. [Philseco], a joint venture between the Philippine government and Kawasaki Heavy Industries in Japan.

Philseco reportedly has the facilities and technology suited for Soviet commercial ships. And since Philseco is not allowed to repair such vessels, the country misses the \$25-million Soviet ship repair market to nearby Asian countries, particularly Singapore.

Why Soviet ships cannot be accommodated in the Philseco yard in Subic Bay is not entirely the fault of the two ministries.

But MND and MFA are being asked to "indirectly assist" in removing an obstacle to allow Philseco enter the Soviet ship repair market.

Philseco's problem is two-fold, but the MND has the "easy key" to both problems.

The first problem refers to a condition in the 5th loan package of the Overseas Economic Cooperation Fund [OECF] signed in 1977. Part of the OECF loan was used to finance the construction of the P1.5-billion shipyard.

Under the loan agreement, "the Philippine side could not use the project (shipyard) for any military purposes." Since it is the general impression that Soviet commercial ships might have devices to detect and "spy" on countries they visit, Soviet commercial vessels are suspect of being military ships.

That provision could be easily corrected by a revision of the 5th OECF loan package. This process, however, may take quite a long time, would require the entire Japanese legislative body and perhaps the entire Japanese government to make such a revision.

Nevertheless, even if that condition could be revised by Japanese government, there is no guarantee that the Soviet commercial ships could be allowed to drydock at the Philseco yard.

Philseco yard is near the U.S. naval base, the Soviet commercial ships which are suspect of being military vessels can pose security [risks] to the U.S. base.

As regards this problem, Philseco asked the MND to define a consistent policy on Soviet commercial ships.

Philseco suggests that the MND define "any military purpose" to refer to vessels which directly pertain or are concerned with war. Vessels carrying armaments for combat will also be covered for "any military purpose."

Philseco wants that those facilities which are clearly not designed for use in combat be excluded from "any military purpose."

Unarmed ships such as hospital ships, cargo vessels, tankers, and the like regardless of flag or nationality will not be prohibited from undergoing repairs or drydocking in any Philippine shipyard.

Philseco has asked the MND to resolve this issue as early as May this year but so far the MND has been silent on the request.

Shipping observers claimed that the MND seemed silent because of U.S. Government pressure on the Aquino government not to allow Soviet vessels be repaired near the Subic naval base facilities.

They, however, maintained that whether the Soviet commercial vessels are "spy" ships or not and whether they pose security risk to American interest or not should be the concern of the U.S. and not of the Philippine government.

As long as vessels are internationally classified as commercial cargo ships, they should be allowed to drydock at any of the country's shipyards, they added.

Soviet commercial ships make an average of 170 ship calls a year in the country. At an average of three calls per ship, Philseco could be operating on a higher capacity.

Philseco at the moment uses only 40 percent of its capacity and can hardly make operating profit. Its original net worth was P350 million but because of its losses, its net worth is now down to P115 million.

IRANIAN EMBASSY DENIES ASYLUM TO MARCOS SUPPORTER

HK131322 Hong Kong AFP in English 1305 GMT 13 Aug 86

[Text] Manila, Aug 13 (AFP) -- The Iranian Embassy here denied asylum Wednesday to a supporter of deposed President Ferdinand Marcos who is being sought by police in connection with a murder case. Benjamin Nuega, a radio commentator, sought political asylum at the Iranian mission Wednesday, but was not granted an audience by embassy officials, Charge D'Affaires Mahmud Bayat said.

"It is very clear that we cannot interfere in internal affairs of the Philippines because we are here to promote good relations between the Philippines and the Islamic Republic," Mr. Bayat told AGENCE FRANCE-PRESSE. Mr. Nuega has been charged with illegal assembly and murder by inducement for allegedly inciting Marcos supporters who beat to death a supporter of President Corazon Aquino at Rizal Park here last month. Five suspects have been arrested by police in connection with the case, and an unserved arrest warrant has been against Mr. Nuega. Mr. Bayat said he did not know why Mr. Nuega chose the Iranian Embassy. Mr. Nuega and his lawyer could not be immediately reached for comment.

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